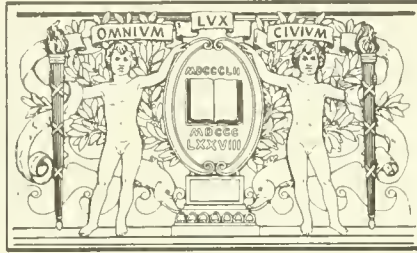


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THE
DEPARTMENT
OF
STATE

BULLETIN

Vol. LXVII, No. 1736



October 2, 1972

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXVII, No. 1736

October 2, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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ICAO Special Subcommittee Meets at Washington

Fifteen nations participated in a Special Subcommittee of the International Civil Aviation Organization (ICAO) which met at Washington September 4-15 to consider a convention which would provide for cutting off air services against states which do not punish hijackers. Following are welcoming remarks made before the subcommittee on September 4 by Secretary of Transportation John A. Volpe; the opening statement of the U.S. delegation made on September 4 by the chairman, Charles N. Brower, Deputy Legal Adviser of the Department of State; a statement made by Secretary Rogers on September 6; and texts of draft articles drawn up at the subcommittee session and submitted to the ICAO Legal Committee for study.

WELCOMING REMARKS BY SECRETARY VOLPE

Department of Transportation press release dated September 4

It is a real pleasure for me to welcome the members of this subcommittee to Washington. You may have noticed that Washington is a rather quiet city today and that the State Department is not as busy as usual. The reason, of course, is that this is a national holiday, Labor Day, when no work is done except that which is essential. And that summarizes precisely the work that you are here to do. It is essential work—vital work. You are facing up to a challenge that knows no holiday, a threat that takes no vacation.

Two years ago this month I went to Montreal to ask the ICAO countries to stand together on the hijacking issue by agreeing to extradite or prosecute any persons accused of

crimes against civil aviation.¹ The Council adopted such a resolution, and a similar provision is incorporated in the antihijacking convention negotiated at The Hague in December 1970.²

Until now, however, the good intentions expressed at Montreal have been largely unenforceable. You are here to correct that situation—to begin the work that will close the final loophole and seal off the last avenue of escape left to the sky bandit.

Over the past two years we have made it progressively more difficult for potential hijackers by intensifying screening procedures at the boarding gates and tightening security on airport property. Most airlines have locked the tail exits of their aircraft, making it all but impossible for hijackers—extortionists—to escape by parachute. The FBI and other enforcement agencies have proven increasingly proficient at thwarting hijacking attempts and in apprehending skyjackers. The courts are dispensing swift justice and handing down stiff sentences for convicted hijackers. Just last week one individual here in the United States was sent to prison for 30 years.

Clearly the net is tightening, and it rests now in your capable hands to draft the multinational enforcement convention needed to bring the hijacking problem under control internationally. Yours is a vital mission, and I wish you every success in the difficult task at hand.

¹ For background, see BULLETIN of Oct. 19, 1970, p. 449.

² For text of the Convention for the Suppression of Unlawful Seizure of Aircraft, see BULLETIN of Jan. 11, 1971, p. 53.

All of you here, I am sure, are well aware of the stern actions President Nixon has taken to discourage, detect, and defeat skyjackers. In 1969, the odds clearly favored the hijacker; 82 percent of the attempted piracies that year succeeded.

Last year 12 of 27 attempts against U.S. aircraft succeeded, a less than 50-50 chance for the hijacker. Thus far this year, 21 of 29 attempts have failed—which means that the odds are better than 4 to 1 that a hijacker will not succeed.

In the 18 extortion attempts this year against U.S. airlines, all the persons involved have been arrested, killed, or accounted for. The ransoms, with one exception, have been recovered.

The hijacker today is a man on the run. It remains for you, for all of us, to give him no place to run, no place to hide.

We have long recognized that the elimination of shelters is essential to the ultimate control of the hijacking problem. No nation can do that job alone. Air piracy is a crime that transgresses national boundaries and transcends national authority. That is why President Nixon has directed that Secretary Rogers and I petition ICAO to press for enforcement of the obligation of all countries to deny hijackers sanctuary from prosecution or refuge from extradition.

Piracy on the high seas came to an end when the ports of call were closed to the plunderers of ships. Piracy in the skies will die the same death when the doors of welcome are universally slammed on hijackers around the world.

The United States has taken the lead in this crusade to rid the skies of thieves and terrorists not because skyjacking is unique to our country—in fact, of the 134 hijackings that have occurred since the ICAO resolution in Montreal, 72 involved non-U.S. airlines—but because anarchy in a civilized world is as intolerable in the skies as it is on the ground.

Air piracy is more than skyway robbery. It is a crime against society and against hu-

manity, threatening the lives of passengers and crew and the very future of international air commerce. President Nixon and I are determined that the airways must be made secure against the threats of extortionists, terrorists, and fugitives from justice. We will not rest, and we trust you will not rest, until that common goal becomes an international reality.

STATEMENT BY MR. BROWER

Press release 210 dated September 5

We are at an important juncture in the history of efforts by governments to assure a secure and sound international civil aviation network.

The international community has in the past responded with alacrity and with vigor to the grave threat against this international network posed by the ever-growing multitude of aerial pirates, saboteurs, and similar criminals.

Under the auspices of ICAO, technical measures to prevent hijackings and sabotage have been agreed to and are being implemented at airports and on board aircraft at present. Efforts have been undertaken toward the development of formal standards and practices in this area which are to become a part of the Chicago Convention³ and thus mandatory for all 124 contracting parties.

The rules of law regarding hijacking and similar criminal acts have been inscribed by the international community in the Tokyo,⁴ Hague, and Montreal⁵ Conventions: Hijacked aircraft, passengers, crew, and cargo are required to be released without delay;

³ Convention on International Civil Aviation, 1944; Treaties and Other International Acts Series 1591.

⁴ Convention on Offenses and Certain Other Acts Committed on Board Aircraft, 1963; TIAS 6768.

⁵ For text of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation adopted at Montreal on Sept. 23, 1971, see BULLETIN of Oct. 25, 1971, p. 464.

hijackers and saboteurs are required to be taken into custody and extradited or prosecuted without exception whatsoever. These conventions provide extraordinary remedies.

It is painfully clear, however, that the work resulting in these measures has not of itself been sufficient to end the threat. Repeated acts of hijacking, acts of sabotage, and armed attacks against passengers and aircraft have made it undeniably certain that the world's civil aviation system continues to be an attractive target for certain misguided individuals and groups who seek to accomplish any of a host of objectives; for example, to extort money, to give dramatic form to a political expression, to seek publicity. Acts range from those which are merely vexatious to those which are violent and vicious; the perpetrators range from the disruptive vandal to the mass murderer. The motives are varied, but a common thread ties the acts together: Each entails sacrifice, potential or real, of the lives of innocent persons—passengers, pilots, stewardesses, airport and aircraft ground personnel. No one, and no state, is immune from this threat. Increasingly, every country of the world is threatened, regardless of form of government, social system, political philosophy, or geographic location. As evidence one need only cite a few of the most recent incidents: In the last three months aircraft of my country, the Federal Republic of Germany, Czechoslovakia, Argentina, and France have been the subject of attacks.

How can we act decisively now to curb this threat? What is needed urgently is to insure that all the rules of law which have been laid down are effectively enforced. Together with Canada we have drafted such a convention, introduced a year and a half ago, which provides for an independent commission to assess the facts with respect to any specific incident. When the commission determines that the rules set out in the Tokyo, Hague, or Montreal Convention have not been applied, the convention establishes a mechanism by which involved states could meet and decide

upon the individual and collective steps they would take to bring about compliance.

We do not underestimate the precedent-setting nature of the proposal nor the political controversies it engenders. We hold simply to the belief that events of this year underscore the fragility of the civil aviation network against the conspiracies of terrorist groups and assaults of individual predators and indicate that a historic effort is needed.

We realize there has been considerable expert debate on the point whether there is a formal obligation in customary international law, rather than just in the conventions, for all states to return hijacked passengers and crew and to extradite or prosecute hijackers and saboteurs. We believe that, in any event, they describe a code of conduct that states must follow if civil aviation is to prosper in a secure environment. And we believe that states must establish formal steps—in this proposed convention—for individual action coordinated by the aviation community against states which do not adhere to this code to isolate them, if necessary, from the aviation community. Failure to adhere to this code imperils the very heart of the aviation system, its safe operation, since failure to punish hijackers and saboteurs stands as encouragement to others who contemplate such acts. The fundamental objective of the proposed convention is to protect all who have a stake in the safe development of civil aviation—passengers, pilots and crew, ground personnel, airline companies, states dependent on aviation for communication and economic development. Does that not include all of us?

Mr. Chairman, the ICAO Council has asked us to produce a convention. On June 19, by the overwhelming vote of 17 to 1, it called this subcommittee into being and instructed it "to work on the preparation of an international convention to establish appropriate multilateral procedures within the ICAO framework for determining whether there is a need for joint action if it is to be taken."

The eyes of the world are now upon us. The alternative to action at this subcommittee is to wait—wait until the tragedy of events overtakes us, wait until private action takes over for government inaction. Let us do our task.

STATEMENT BY SECRETARY ROGERS

Press release 212 dated September 6

Mr. Chairman, ladies and gentlemen: I thank you and the members of this conference for the opportunity to speak to you today.

I know that you share with me the deep sense of outrage and grief at the senseless and tragic events which have so marred the Olympic games. These murders by extremist terrorists are more than crimes against the citizens of one country. The very spirit which the Olympic games represent, the spirit of brotherhood and of friendly competition among people all over the world, has been seriously challenged by this demented action.

In this time of sorrow all men of good will must ask, What can we do to help insure that such crimes do not continue? For such crimes certainly threaten hopes for a more peaceful world. At this conference we need to remember that the Munich attackers sought to commandeer, to hijack, if you will, an aircraft to make their escape. We need to remember that threats and acts against international air travel are one aspect, but a very important aspect, of the international terrorism that threatens the lives of innocent people regardless of nationality.

The international community must take firm and prompt action to effectively prevent air piracy. If we can do this we will have denied to terrorists and would-be terrorists one of their most effective weapons and will have taken a major step to subdue international lawlessness and terrorism.

We in the United States are acting in these areas. The President has just informed me that he is today forwarding the Montreal

Sabotage Convention to the Senate with an urgent request that it be approved for ratification. In addition, I am urgently appealing to Congress to act promptly on pending legislation to strengthen our laws against hijacking even further and to provide severe penalties for crimes against diplomats. It seems clear to me that, if governments fail to act, then by default we will encourage the very crimes that we have assembled here to prevent.

International air travel is an important element of the interdependence which is increasingly characteristic of the world in which we live. Only strong and concerted action by the states of the world will guarantee the continued safety of air travelers. I urge you to bear this in mind in your deliberations.

It is imperative, I believe, that this conference draft a convention which will put a stop to air piracy and terrorism.

Ladies and gentlemen, I thank you very much for this opportunity, brief opportunity, to appear here today to express the views of my government, the hopes of my government, that the international community can take effective action to stop these acts of piracy and terrorism.

Certainly, in a world that has advanced so far in so many other areas, science and medicine and technology, it seems almost beyond our comprehension that action can't be taken to stop these acts, and I know that you are laboring here to achieve a result which we all would like to have achieved. But I am firmly convinced that we have to take decisive action, severe action, if you will, to make it clear throughout the world that criminal acts, criminal acts against innocent people, certainly are not an acceptable method of solving any of the world's problems and certainly in the field of air travel, where all persons in the world are involved or apt to be involved, we must make a start.

The Government of the United States is prepared to take the most firm, severe action that the international community is prepared

to join in. We think it's essential now to act, and we think that these tragic events that occurred in Munich underscore the necessity for action now.

DRAFT ARTICLES PREPARED AT SUBCOMMITTEE ⁶

ARTICLE 1

1. There shall be a Commission of Experts (hereinafter referred to as the Commission) composed of a body of independent members, elected regardless of nationality among persons of high moral character, recognized competence in the field of international civil aviation and international law and who may be relied upon to exercise independent judgment.

2. The Commission shall consist of nine members, no two of whom may be nationals of the same State.

3. A person who for the purposes of membership of the Commission could be regarded as a national of more than one State shall be deemed to be the national of the one in which he ordinarily exercises civil and political rights.

4. No person who is the Representative of a State on the Council of ICAO shall be eligible for membership of the Commission during such period as he continues to be such Representative.

ARTICLE 2

1. The following provisions of this Article shall govern the election of members of the Commission.

2. Within ninety days of the entry into force of this Convention, the [Depositary] shall convene a Convocation of Parties for the purpose of determining the membership of the Commission. Thereafter, a Convocation of Parties shall meet for the same purpose [in conjunction with] [at the same time as] each regular meeting of the Assembly of the International Civil Aviation Organization.

3. At least thirty days before the meeting of any Convocation of Parties each Contracting State may designate two qualified persons to serve as members of the Commission of Experts. The Depositary shall prepare a list in alphabetical order of all persons thus nominated and shall circulate the list of nomi-

nations to the Contracting States together with any biographical information submitted by Contracting States in respect of the nominees.

4. From the list of nominated persons mentioned in paragraph 3 of this Article, the Convocation of Parties shall elect the members of the Commission.

5. In electing members of the Commission, the Convocation of Parties shall assure that, on the basis of paragraph (b) of Article 50 of the Chicago Convention, the composition of the Commission shall provide adequate representation for the nominees of—

(a) the States of chief importance in air transport;

(b) the States not otherwise included in subparagraph (a) of this paragraph which make the largest contribution to the provision of facilities for international civil air navigation;

(c) the States not otherwise included in subparagraphs (a) and (b) of this paragraph whose designation will insure that all the major geographic areas of the world are represented on the Commission.

6. Those candidates who obtain an absolute majority of [all the parties to the Convention] [the parties present and voting] shall be considered as elected to the Commission.

7. In the event of more than one national of the same State obtaining an absolute majority of [all the parties to the Convention] [the parties present and voting] the eldest of these only shall be considered as elected.

ARTICLE 3

1. After each election of the Commission, the Convocation of Parties shall proceed to elect from the remaining persons on the list mentioned in paragraph 3 of Article 2 a Panel of Experts.

2. The Panel of Experts shall consist of fifteen persons, no two of whom shall be nationals of the same State, and shall be elected in the same manner and on the same basis as provided for in paragraphs 5 and 6 of Article 2.

3. The provisions of paragraphs 3 and 4 of Article 1 shall apply, mutatis mutandis, to the Panel of Experts.

ARTICLE 4

1. The members of the Commission shall be elected for nine years and may not be re-elected; provided, however, that of the members of the Commission elected at the first election, the terms of three Commissioners shall expire at the end of three years and the terms of three more Commissioners shall expire at the end of six years.

2. The Commissioners whose terms are to expire at the end of the above-mentioned initial periods of

⁶ Articles 1-11 are a suggested text based on the Report of the Working Group Relating to the Cases for Joint Action and the First Stage of the Procedures, which was presented by its chairman, K. O. Rattray, of Jamaica. Article [12] was a proposal sponsored by Canada, the Netherlands, the United Kingdom, and the United States which the subcommittee decided was ready for presentation to the Legal Committee for its consideration.

three years and six years shall be chosen by lot to be drawn by the Chairman of the Convocation of Parties immediately after the first election has been completed.

3. The members of the Commission shall continue to discharge their duties until their places have been filled. Though replaced, they shall finish any matters which they may have begun.

[ARTICLE 5

1. Vacancies arising in the membership of the Commission prior to the expiration of the term of the member involved shall be filled for the remainder of that term by the Chairman from among the members of the Panel of Experts and in the selection of the successor there shall be assured as far as possible that the balance of representation prescribed by paragraph 5 of Article 2 is maintained.]

ARTICLE 6

1. Any member of the Commission who was nominated by, or a national of

(a) the Contracting State which has requested the Commission to convene; or

(b) the State of registration or of the operator of the aircraft upon or in respect of which an act falling under paragraph 1 of Article 9 has been committed; or

(c) the State with respect to which Article 9 has been invoked

shall be disqualified from taking part in the consideration of the matter upon which the Commission has been requested to convene.

2. When a member of the Commission has been disqualified under the provisions of the preceding paragraph he shall be replaced on the Commission for the purposes of the matter under consideration in the manner prescribed by Article 5 for the filling of vacancies.

ARTICLE 7

The Commission shall elect from its members a Chairman who shall serve as such throughout his term as member.

ARTICLE 8

1. Members of the Commission, when engaged on the business of the Commission, shall enjoy diplomatic privileges and immunities.

2. Members of the staff of the Commission shall enjoy such immunities and privileges as are necessary for the performance of their functions.

ARTICLE 9

1. Whenever a Contracting State which is an interested State has reason to believe that a person has committed any act described in paragraph 1 of Article 11 of the Tokyo Convention, Article 1 of the Hague Convention or Article 1 of the Montreal

Convention, and that [any State] has contributed to a threat to the safety of civil aviation by:

(a) detaining within its territory any aircraft involved in such act, its passengers, crew or cargo, or

(b) unjustifiably failing to take such person into custody or take other reasonable measures to secure his presence and thereafter to extradite him or submit the case to its competent authorities for the purpose of prosecution, or

[(c) any other means whatsoever,]

it may apply to the Commission for a hearing.

2. The Commission shall not hear any application made in pursuance of paragraph 1 of this Article unless the applicant has previously requested the State alleged to be in default to remove the threat of which complaint is made and it has failed to do so.

3. When the applicant alleges that a State has contributed to a threat to the safety of civil aviation by reason of circumstances falling under subparagraph (a) of paragraph 1 of this Article, the following provisions shall apply:

(a) The applicant shall at the time of making application to the Commission also request the State alleged to be in default to permit the passengers and crew to continue their journey and to return the aircraft and its cargo to the persons lawfully entitled to possession within 24 hours of the receipt of the request;

(b) if, after the expiration of 24 hours referred to in subparagraph (a) of this paragraph, the request has not been complied with, the Commission shall thereafter meet to hear the application not later than 72 hours from the time the application was made and shall make its determination not later than 72 hours after its first meeting.

4. In cases not falling within the preceding paragraph, the following provisions shall apply:

(a) prior to any application to the Commission, the State alleged to be in default shall be requested to take the necessary measures to remove the threat within a period of 30 days;

(b) if, after the expiration of the period of 30 days referred to in subparagraph (a) of this paragraph, the request has not been complied with, an application may be made to the Commission;

(c) the Commission shall meet not later than 7 days after the receipt of the application referred to in subparagraph (b) of this paragraph, and shall make its determination not later than 30 days after its first meeting.

5. In respect of any application under this Article, it shall be the duty of the Commission to conduct such investigations as it deems appropriate, ascertain the facts and determine whether [a State] has contributed in any way to a threat to the safety of civil aviation.

6. Any State which submits an application to the Commission pursuant to paragraph 1 of this Article, the State alleged to be in default [and any other State which the Commission considers to be an interested State] shall have the right to appear before the Commission by agents, advocates and counsel and to be heard by the Commission.

7. At the conclusion of every hearing by the Commission under the provisions of this Article, there shall be prepared a report embodying the findings of the Commission, the facts on which such findings are based, and containing recommendations as to the measures which the Commission considers necessary to remove any threat which may exist to the safety of civil aviation. In such report, the Commission shall also recommend a time-limit within which the necessary measures shall be taken.

8. All questions before the Commission shall be determined by a majority of the members.

9. If the report of the Commission does not represent in whole or in part the unanimous opinion of all the members, any member of the Commission shall be entitled to submit a separate report.

10. A copy of the report of the Commission and any separate report shall be transmitted to . . .

11. Without prejudice to the procedures for the settlement of differences set out in Article 24 of the Tokyo Convention and Article 12 of the Hague and Montreal Conventions, there shall be no appeal from any determination of the Commission.

12. An application may be made to the Commission for a review of the findings and recommendations contained in its report if there is discovered some fact of such a nature as to be a decisive factor, which fact was unknown to the Commission and also to the party seeking a review, always provided that such ignorance was not due to negligence. The application for review must be made at latest within six months of the discovery of the new fact and shall not in any case be made after the lapse of . . . years from the date of the report of the Commission.

ARTICLE 10

The States parties to this Convention undertake to give the greatest measure of assistance to the Commission in order to enable it to carry out its functions effectively.

ARTICLE 11

Subject to the provisions of this Convention, the rules set forth in Annex A hereto shall govern the procedure of the Commission and shall remain in force until changed by a simple majority vote of the Commission.

ARTICLE [12]

Joint Action

1. When pursuant to Article 1 a State has been determined to have contributed in any way to a

threat to the safety of civil aviation, and prior to the time limit fixed by the Commission of Experts, the complaining State may request the President of the Council of the International Civil Aviation Organization to use his good offices to aid in the removal of such threat.

2. If a State determined to have contributed in any way to a threat to the safety of civil aviation fails to act upon the recommendations of the Commission of Experts and remove such threat within the time limit fixed by the Commission of Experts, the rights of such State under the Chicago Convention, under the International Air Services Transit Agreement, and under bilateral air services agreements or any other arrangements contemplated by Article 6 of the Chicago Convention shall be suspended in the territories of the States parties to this Convention, and shall remain suspended until the Commission has determined that the State has acted upon the recommendations of the Commission of Experts and has removed the threat to the safety of civil aviation.

3. (a) If a State determined to have contributed in any way to a threat to the safety of civil aviation fails to act upon the recommendations of the Commission of Experts and remove such threat within ten (10) days after the time limit fixed by the Commission of Experts pursuant to Article [9(7)], or, if the determination relates to detention of an aircraft, its passengers, crew or cargo, within 72 hours after such time limit, the States parties to this Convention which are interested or air service States⁷ shall meet at the request of any one of such States for the purpose of reaching a decision on joint action which they should take with respect to the State determined by the Commission to have contributed to a threat to the safety of civil aviation. Such joint action may include any measures to preserve and promote the safety and security of civil aviation, including collective suspension of all international air navigation to and from such State.

(b) Non-Contracting interested and air service States may be present at and participate in the proceedings of any meeting held pursuant to subparagraph (a) but shall not be entitled to vote. In order for the meeting to act there must be a quorum of three-fifths of the States entitled to vote at such

⁷ While the subcommittee did not consider the definition of "interested State" or "air service State," its report notes that such definitions were provided in a draft which was before the subcommittee. That draft provided essentially that an "interested State" is one in which a detained aircraft is registered or operated, in which an act of hijacking or sabotage has taken place, or whose nationals have been detained or have suffered death or physical injury as a result of such an act and that an "air service State" is one having international air service to or from an offending state.

meeting. Any decision on joint action shall be taken by [a majority] [two-thirds] of States present and voting [except that any decision involving the limitation or suspension of international air services shall also require [a majority] [two-thirds] of air service States present and voting.]

(c) Any decision taken pursuant to this paragraph shall be *

Alternative 1:

binding on all States Parties to this Convention and recommendatory with respect to all non-Contracting States entitled to participate in the meeting.

Alternative 2:

binding on all States Parties to this Convention which voted in favour of such decision and recommendatory with respect to all other Contracting States and to all non-Contracting States entitled to participate in the meeting.

Alternative 3:

recommendatory with respect to all States Parties and to all non-Contracting States entitled to participate in the meeting.

U.S. Mourns Death of Members of Israeli Olympic Team

Following are statements by Secretary Rogers issued September 5, remarks by President Nixon made to news correspondents at San Francisco, Calif., that day, and the text of a message sent by President Nixon to Israeli Prime Minister Golda Meir on September 6.

STATEMENTS BY SECRETARY ROGERS

First Statement

Press release 209 dated September 5

I have asked the Israeli Ambassador to convey to the Israeli Government and people our profound sorrow and sense of horror at the callous, outrageous attack this morning on the Israeli athletes in their quarters in Olympic Village in Munich.

* The alternatives will require further study by the Legal Committee.

We extend our deepest condolences to the families of those Israelis who have lost their lives in this incident. With all nations and peoples around the world, we fervently hope that no further innocent lives will be sacrificed. This assault on the Israeli Olympic team is offensive to men and women of good will everywhere for whom the Olympic games are a symbol of man's striving for reconciliation and peace.

Second Statement

Press release 211 dated September 5

There are no words which can fully express our reaction to today's tragedy at the Olympic games. I know I speak for all Americans in extending the deepest sympathies of the United States to the families of those, Israelis and Germans alike, who have died because of this appalling, senseless deed.

REMARKS BY PRESIDENT NIXON

White House press release (San Francisco) dated September 5

Gentlemen: I had the opportunity this morning before I left San Clemente to call Prime Minister Meir on the phone. I reached her just before we left. I talked with her for some eight minutes.

I expressed sympathy on behalf of all the American people for the victims of this murderous action in Munich. I also told her that she could expect total cooperation from the Government of the United States in any way that would be helpful in obtaining the release of the hostages being held there in Munich.

In addition to that, I raised with her the problem of what we could do in the future in this respect. I asked her whether or not Israeli intelligence had any information with regard to the possibility of this happening. They did not have any information.

Incidentally, Israeli intelligence, we have found, is among the best in the world. She said the reason was that while the Olympic games were being held in Munich, there just weren't any expectations that this kind of a group would be able to get in and en-

gage in the kind of activity that they have engaged in. However, we are dealing here with international outlaws of the worst sort who will stoop to anything in order to accomplish their goals and who are totally unpredictable.

Under the circumstances, I said to the Prime Minister, looking to the future, that we had to anticipate that Israeli citizens traveling abroad would be subject to such activities in the future. Naturally, we cannot do anything with regard to what happens in other countries, that is their responsibility primarily, except we can indicate our interest. But I said in the United States that we would try to do everything we could with regard to groups of Israeli citizens traveling in the United States to see that where there is any information at all with regard to a possible attempt of this sort that adequate security measures are taken.

Finally, as you know, the games have been postponed until the hostages are released and the people who are guilty are apprehended, or those charged with guilt. There is very little words can say to indicate the concern we have for the families of the victims. But to have this happen in an international meeting with an unblemished record—this being the 20th Olympics, going back over 80 years—an unblemished record of no incidents of this sort, this is indeed a great tragedy and I know the whole world shares the views that I expressed to Mrs. Meir.

Q. Are you satisfied about the security of American athletes, particularly American Jewish athletes at the Olympic games?

The President: I am never satisfied with security when you see incidents like this, but I believe that we have adequate security measures, and as I have indicated or at least implied in my remarks here, since we are dealing with international outlaws who are unpredictable, we have to take extra security measures, extra security measures to protect those who might be targets of this kind of activity in the future. That might include Americans of Israeli background, American citizens. It is more likely to be directed, how-

ever, against Israeli citizens, because what they want to do is get leverage with the Israeli Government with regard to people held by the Israeli Government. However, we are not taking any chances in doing everything we can to protect our own citizens.

MESSAGE TO PRIME MINISTER MEIR

White House press release dated September 6

DEAR MADAME PRIME MINISTER: The heart of America goes out to you, to the bereaved families and to the Israeli people in the tragedy that has struck your Olympic athletes. This tragic and senseless act is a perversion of all the hopes and aspirations of mankind which the Olympic games symbolize. In a larger sense, it is a tragedy for all the peoples and nations of the world. We mourn with you the deaths of your innocent and brave athletes, and we share with you the determination that the spirit of brotherhood and peace they represented shall in the end persevere.

Sincerely,

RICHARD NIXON.

U.S. Vetoes Unbalanced Middle East Resolution in U.N. Security Council

Following are statements made in the U.N. Security Council on September 10 by U.S. Representative George Bush, together with the texts of a draft resolution and proposed amendments.

STATEMENTS BY AMBASSADOR BUSH

First Statement

USUN press release 91 dated September 10

The Council is meeting today on a complaint by the Syrian Government. The Middle East has again been the scene of violence, as it has so often in the past. The Council is

again seized of a problem with which it has repeatedly failed in the past to come to grips in an equitable way.

We should all recall that until a few days ago the world had again dared to hope because a climate of reasonableness and realism seemed to be developing in the area. There were grounds to hope that new opportunities for progress toward peace in the Middle East were opening up before us. Then came "Munich"—the senseless act of terrorism there which cast a pall over these hopes. Yet we are now meeting on a complaint by Syria—a complaint that stands out for its unreality. It makes no reference to the tragic events at Munich. It gives no salve to the wounded conscience of an agonized world.

There is an obvious connection between the actions of which the Syrian Government now complains and the tragic events which took place in Munich this past Tuesday. Did the Syrian Government join in complaint or expressions of outrage when terrorists invaded the Olympic Village, in violation not only of law but of the spirit of Olympic brotherhood, and murdered innocent athletes? Did we hear even a word of condemnation from the Government of Syria for this despicable act? No, quite the contrary. The Syrian Government continues to harbor and to give aid and encouragement to terrorist organizations which openly champion such acts.

And the Syrian Government is not alone in its encouragement of terrorism. Certain other governments in the area—whether by word and deed or by silent acquiescence and failure to disassociate themselves from the acts of a minority that preaches and practices lawlessness and violence—cannot be absolved of responsibility for the cycle of violence and counterviolence we have again witnessed this past week.

Mr. President, the ultimate root of the problem is, of course, the absence of peace in the Middle East. My government has labored long and hard in this cause; in the

effort to achieve a just and durable peace the United States has been and will continue to be second to none.

We shall continue to work toward the goal of peace, but the absence of peace cannot be exploited as a pretext for violence on any side. Those who preach violence and employ it as a matter of policy always suffer its consequences, for violence always begets violence. The crimes that were carried out at Lod and at Munich cannot but breed tragedy for their perpetrators and for those who befriend them. States which harbor and give succor to terrorists cannot then claim sanctuary for themselves. The greatest tragedy of all is that when violence is employed, innocent people on all sides are almost inevitably made to suffer. Slain Olympic athletes in Munich—or heartbroken mothers searching for dead under rubble in Rafid—these are some of the immediate victims of terror. But indeed the whole civilized world is the real victim of terror. Mr. President, we deplore the loss of lives on both sides.

Today the United States is engaged in a major effort, along with other members of the international community, to make our airways, our sports fields, and our other gathering places safe from terrorism and violence. A beginning has been made, in various international conventions dealing with aircraft hijacking and related problems, to establish a strong framework of law in these matters among the nations of our interdependent world. Secretary Rogers has urged rapid and meaningful action in the subcommittee of ICAO [International Civil Aviation Organization] now meeting in Washington. He has urged rapid action in ratifying existing conventions by governments that have not yet done so. But recent events make clear that the problem is much broader and more pernicious in nature. My government urges that the issue of terrorism in all its aspects receive the highest priority when the General Assembly convenes later this month. The commendable initiative of

the Secretary General in placing this question on the Assembly's agenda insures that the world can no longer close its eyes to this pressing matter.

Mr. President, the United States will continue to work for a just and lasting peace in the Middle East. But one-sided resolutions of the type which this Council has so frequently adopted in recent times do not contribute to the goal of peace; indeed, they create an atmosphere in no way conducive to peace by encouraging perpetrators and supporters of acts of terrorism to believe they can escape the world's censure.

Let us not put our heads in the sand and perpetuate the notion of "unreality" that is often assigned to the United Nations.

Munich was so horrible, so vicious, so brutal, so detrimental to order in the world and to peace in the Middle East that we simply must not act here as if it did not exist.

We believe each member of the Council, indeed of the entire international community, should make it unmistakably clear that acts of terror and violence practiced against innocent people as a matter of policy are unacceptable in a civilized world. Each of us has a responsibility to make clear that those who practice such acts, or aid and abet them in any way, are the ones deserving of censure and condemnation. Only then will we begin to eliminate this scourge from the earth and with it the acts of counterviolence to which history inevitably proves it gives rise.

Mr. President, in closing, I would like to read out the text of a resolution which could be helpful to address itself to the thrust of our remarks here and which we would now like to introduce:¹

The Security Council,

Gravely concerned at the renewal of terrorist attacks on innocent persons,

Deploing the loss of innocent lives on both sides and the outbreak of renewed violence in the Middle East,

Convinced that acts of terrorism, and any en-

couragement and support for such acts, are totally unacceptable in a civilized society and are inimical to the maintenance of the cease-fire in the Middle East,

1. *Condemns* the senseless and unprovoked terrorist attack in Munich on September 5 by terrorists of the so-called Black September organization which resulted in the loss of life of numerous innocent victims;

2. *Calls upon* those States harbouring and supporting such terrorists and their activities to cease their encouragement and support of terrorists, and to take all necessary measures to bring about the immediate end of such senseless acts.

Second Statement

USUN press release 92 dated September 10

My delegation did not lightly decide to vote against the three-power resolution. Our support of Resolution 242, our abhorrence of violence, is a matter of record. Our support of this Council over the many years is also a matter of record.

We, however, are deeply convinced that the Council would have done neither the parties nor itself any good by adopting a resolution which ignored realities, which spoke to one form of violence and not another, which looked to effect but not to cause.

We do not countenance violations of international law. We do not countenance terrorist acts. We seek and support a world in which athletes need not fear assassins and passengers on planes need not fear hijacking or assassination. We seek a just and lasting peace in the Middle East. And we will continue to work toward these ends.

It was said here today that we might be making a constructive move if we could contain the situation by calling for cessation of all military operations. But can anybody suggest that the situation today is unrelated to the Munich massacre? It is related. It is directly related. The fabric of violence in the Middle East is inextricably interwoven with the massacre in Munich.

Is it not a double standard to suggest that states must control their own forces, a point which we readily grant, but that these states

¹ The U.S. draft resolution (S/10785) was not pressed to a vote.

need not control irregular forces in their territory, forces of murder, forces of terror?

We have been walking a very dangerous path by our silence on terrorism. We invite more terrorism by our silence on the disaster in Munich. Are we, indeed, inviting more Munichs?

We had hoped that all nations would deplore terrorism, deplore it by statement, deplore it by vote as well.

Mr. President, it is for these reasons that we cast a negative vote against the resolution.

TEXT OF DRAFT RESOLUTION ²

The Security Council,
Deeply concerned by the deteriorating situation in the Middle East,

Calls on the parties concerned to cease immediately all military operations and to exercise the greatest restraint in the interest of international peace and security.

TEXT OF PROPOSED AMENDMENTS ³

1. After the first preambular paragraph insert a second preambular paragraph as follows:

"Deploing deeply all acts of terrorism and violence and all breaches of the cease-fire in the Middle East,"

2. In the operative paragraph:

(a) Replace "the parties" by "all parties"

(b) Delete "cease immediately all military operations" and substitute "take all measures for the immediate cessation and prevention of all military operations and terrorist activities"

² U.N. doc. S/10784; the resolution was rejected owing to the negative vote of a permanent member of the Council, the vote being 13 in favor, 1 against (U.S.), with 1 abstention (Panama).

³ U.N. doc. S/10786; submitted by the U.K. and cosponsored by Belgium, France, and Italy. Paragraph 1 received 8 votes in favor (U.S.), 4 against (China), with 3 abstentions (U.S.S.R.); paragraph 2(a), 9 in favor (U.S.), 6 against (China, U.S.S.R.); paragraph 2(b), 8 in favor (U.S.) and 7 against (China, U.S.S.R.).

159th Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Ambassador William J. Porter, head of the U.S. delegation, at the 159th plenary session of the meetings on Viet-Nam at Paris on September 14.

OPENING REMARKS

Press release 224 dated September 14

Ladies and gentlemen: Today I wish to examine your proposal for a tripartite government in South Viet-Nam, a proposal you have termed "flexible and realistic." I maintain of course that proposals concerning future political arrangements in South Viet-Nam are the business of the South Vietnamese people, but inasmuch as you have discussed United States "responsibilities" in connection with this matter, my purpose is to demonstrate that you have merely repeated proposals that are as unreasonable as they are unworkable, both procedurally and substantively. My comments are based on your statements in this forum and recent elaborations to the press. If I do not state matters correctly, let me assure you we will listen with attention to your comments or clarifications. But please be specific.

You propose a government composed of first, the Viet Cong; second, a neutral group of persons who favor "peace, independence, neutrality, and democracy," as you have described them; and third, representatives of the Government in Saigon. Each of these three elements, you declare, would function within such a government, on what you call a basis of "equal strength and equal footing." This so-called "transitional" government would regulate conditions for a cease-fire and preparations for an election which could take place at some later date.

Under your formula, the United States should undertake the first steps to bring

about such a government by ordaining changes in the political, military, and administrative structure of South Viet-Nam.

The changes would be those which you, the North Vietnamese and Viet Cong, might then deem sufficiently satisfactory to enable you to engage in direct negotiations with the Government in Saigon concerning the formation of a tripartite government. Specifically, the changes you demand before you will agree to such negotiation include: the departure of the chief of state and his senior administrators in the army and the civil government, the release of all North Vietnamese and Viet Cong prisoners of war and civilians detained for crimes against the state, and a total change of the policy of the emasculated Saigon Government thus created.

At the same time the North Vietnamese army would remain in South Viet-Nam during and after these changes and would not cease military activity there until the tripartite government is formed, if then. Moreover, you furnish no plan for the North Vietnamese army to return to North Viet-Nam. You are silent as to when that would happen. You would release none of our men who are prisoners, nor would you accept any of your sick and wounded men whom the Government of the Republic of Viet-Nam has offered to repatriate, until all your conditions, political or military, were met.

These, let me repeat, are your preconditions for negotiation as we understand them. In our view they are far from "transitional" in nature but would determine the outcome not only of any negotiations on a form of government for South Viet-Nam but also of any elections which you might subsequently choose to hold in South Viet-Nam. However, we believe both logic and justice require that a fair, internationally supervised, and truly democratic consultation should precede the formation of a government, not follow it.

Now let me speak to your aims, as we understand them, in the actual formation of a tripartite government if your preconditions

were achieved. There would first be the Viet Cong segment, which would amount to one-third of the total number of participants. With that provision, you give yourselves a generous slice of the government, far in excess of what unprejudiced observers believe you could achieve were you to accept the principle that your political status, along with that of other political forces in South Viet-Nam, should be determined through an election under international supervision.

As for the neutral segment, composed of those you call peace loving, you say they would be appointed through "consultations," but I infer that you would expect to name half of them outright. Please tell me if this is correct. One can reasonably express a belief at this point that such a method of selection would, along with the Viet Cong element, raise your effective participation at least to the 50-percent level. What method of selection do you envisage for the remainder of the neutral elements who might be asked to join such a government? Do you expect to exercise a veto if you deem it necessary from your viewpoint to exclude certain persons from it? We would welcome clarification of that point.

As the North Vietnamese army would, under your proposals, still be involved at that juncture in all-out military activities in the South, one can reasonably judge that your influence on the unarmed neutral element of your proposed government would indeed be considerable.

We now come to the third segment of the tripartite government—the modified Saigon Government as adapted to your preconditions.

We bear in mind the fact that your preconditions to negotiation require the removal of South Vietnamese leaders in both the military and civil administrations, and in the other areas I have described, while the North Vietnamese army remains in full attack activity in the South. If your preconditions were met, how could any form of the Government of the Republic of Viet-Nam deal with

such a situation? The remnant of the Government would have no political leadership, no military leadership, no effective administration, while all North Vietnamese prisoners and others who have fought against the state would be released to prey on the public. Is this how you conceive of "equal strength and equal footing"?

If my analysis is correct with regard to the North Vietnamese-Viet Cong representation in the tripartite government, the North Vietnamese-Viet Cong control over the choice of neutral elements, and the situation which your preconditions would create for the Saigon administration, an interesting tableau emerges: With the North Vietnamese army operating at full force in South Viet-Nam, you would have the Viet Cong's one-third of the tripartite government, plus a very considerable influence on both the so-called "neutral" element and the Saigon Government element, which under your plan would have been deprived of its strength.

What you are after seems clear. You are trying to predetermine the future of the people of South Viet-Nam, and you feel you must avoid at all costs a people's decision under international supervision.

This kind of situation has been described before. I will read you a short passage from an English classic:

"Let the jury consider their verdict," the King said, for about the twentieth time that day.

"No, no!" said the Red Queen, "sentence first—verdict afterwards."

This expresses, as well as one could wish, your feeling about an independently organized and internationally supervised election which would determine the wishes of the people of South Viet-Nam. The United States has agreed to abide by such an election or any other political processes shaped by the South Vietnamese people themselves. You

want to sentence the people of that country to a Communist existence before they can render a verdict by vote. Is this not what your version of "national concord" government really means?

If I have not correctly analyzed the sequence and substance envisaged by your proposals, let me assure you again that we would welcome specific comment on any or all parts of my statement.

ADDITIONAL REMARKS

Press release 224/A dated September 14

Today you have heard from us a detailed analysis of your tripartite-government proposal, and you have been offered an opportunity to comment on any elements of that analysis you wish.

I suggest you make use of this opportunity because, both as it stands and on the past record, your proposal is widely regarded as unreasonable, arbitrary, and unworkable. It is not even consistent with your professed adherence to the principle of self-determination for the South Vietnamese people. Do you wish to try to dispel this impression by making specific comments addressed to the points we have raised?

For the past several weeks we have been seeking from you, the delegate of North Viet-Nam, a response to the offer of the Government of the Republic of Viet-Nam to repatriate 600 sick and wounded North Vietnamese soldiers captured in South Viet-Nam. This would be, as you know, in keeping with the letter sent by President Ton Duc Thang in July on the occasion of Wounded Combatants and Fallen Heroes Day. President Thang's letter declared it the duty of the party and Government of North Viet-Nam to love and help sick and wounded soldiers. Can you say something about this today?

American Foreign Policy in a Shifting Setting

*Address by Richard F. Pedersen
Counselor of the Department*¹

I suppose that people from most cultures and most periods of history, as they look at themselves, are impressed by the degree of change that is taking place around them. Probably this has always been true. Even Adam and Eve as they were leaving the Garden of Eden doubtless recognized that they were living in an age of transition.

So it was with some hesitation that I decided to speak today about the rapidly shifting setting within which the government has recently made so many advances in American foreign policy. Yet it is important to comprehend the significance of this transition in international affairs, for it will continue through the next decade and the next quarter of a century. The remodeling our foreign policy is undergoing is designed to assure that American interests are well served in this new environment—one dominated no longer by the aftermath of the Second World War, but shaped by an accumulation of changing circumstances that require fresh policies. Four factors are critical in this change.

First, we are entering a world in which the bipolar pattern dominant in the last quarter century has given way to multiple centers of power and influence.

Throughout the postwar period the major emphases of American foreign policy were directed toward combating expansionist tendencies in the Communist world and toward

buttressing the economies and the security of our allies. These were essential emphases, and they enjoyed the support of the American people.

Now new policy requirements are becoming clear. Soviet hegemony over the Communist world, though still pursued, has been irrevocably breached. Western countries, once weak both economically and militarily, have achieved high standards of living and renewed self-reliance.

Growing Centers of Influence

Power, defined in political and economic as well as in military terms, no longer is the near-exclusive province of ourselves and the Soviets. The dominant relationships in this decade will not be between two centers of influence, but among five. Western Europe, Japan, and China have moved to the front of the world stage.

Let us look at some of the facts. The movement toward cohesion which is bringing western Europe back into a role of world leadership began in earnest when the European Common Market was created in 1957. Ten years ago the six countries of the European Economic Community (France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg) had a combined gross national product of \$360 billion. The continued successes of the Market made the values of a large economic area and the prospective values of growing political cooperation increasingly clear. As a result others decided to join; soon the United Kingdom, Denmark, Norway, and Ireland will also be members.

¹ Made before the Kentucky Federation of Women's Clubs at Barren River Lake State Resort Park, Ky., on Sept. 7 (Department of State press release dated Sept. 7).

The total gross national product of the new Market will then be in the neighborhood of \$800 billion. Thus, within a decade western Europe's principal economic and political entity will have more than doubled its economic capacity. It will have a gross national product fully 75 percent as large as our own economy. And it will have an external trade some \$40 billion in excess of ours, making it easily the largest trading unit in the world.

Political cooperation among Community members is still in formative stages, and economic cooperation among sovereign states does not translate directly into world influence. But the economic weight of the Community is already making itself felt. And there is little doubt that western Europe's collective voice will become an increasingly strong one in world affairs.

In Asia the phenomenon of economic growth has expressed itself in national dynamism rather than international cohesion. In the past 10 years Japan has more than doubled its gross national product, from \$100 billion to over \$250 billion. It produces more than any country in the world other than the United States and the U.S.S.R. It has passed the Soviet Union in per capita production; indeed, in this it is now comparable to western Europe. In its own area, East Asia, it far outproduces all other countries—including Communist China—combined. A Japanese research organization has only recently predicted a total Japanese production by 1980 of almost \$1 trillion—our own current level—with production per person fully equal to that which the United States will then achieve.

Whether this forecast will prove entirely accurate or not is not as important as the fact that the trend is clearly set. And the trend toward a stronger, healthier, and more influential Japan outlines in sharp relief the vital significance of the close cooperation between Japan and the United States which President Nixon and Prime Minister Tanaka reaffirmed only last week.²

Finally, China. Here it is not economic

strength that makes China a force to be reckoned with, because it is still one of the poorest countries in the world. But it has forged a policy and an influence of its own within Communist societies, in Asia, and in some parts of the developing world. With a growing nuclear delivery capability, a population of 800 million, and an ancient culture which gives it sustenance, the People's Republic of China clearly is a growing force whose influence on world events in the next decade will far exceed that in the past.

Positive Elements of Five-Power Relationship

I have spoken of the emerging five-power relationship as a basically positive thing. One might well ask why it is positive, since it would seem to mean a decrease in relative influence and power for the United States. To this I would make two principal responses.

The first is that the emergence of a strong and healthy western Europe and Japan is the successful result of many years of United States policy. That policy was based on the concept that the strengthening of our friends—the equivalent of a reduction of our relative strength—can only strengthen us. An economically healthy, responsible Japan will be a powerful and cooperative ally in promoting a peaceful and increasingly prosperous Asia. A western Europe less fragmented and speaking with a more unified and confident voice will be a powerful force in support of our basic goals in international affairs. The movement of our western European and Japanese friends into the center of the international scene therefore enhances, rather than weakens, our overall world position.

My second response would be that participation of both the Soviet Union and China in this new world relationship will give further impetus to the growing diversity in the

² For background, see BULLETIN of Sept. 25, 1972, p. 329.

Communist system and at the same time stimulate each toward greater concourse and interdependence with other countries. As diversity grows within the Communist system, its countries may be expected to become less rigid and more pragmatic in their dealings with others. And as each country's stake in interdependence grows, so also should its incentive to avoid the damage to the international fabric which war causes.

We have carefully sought not to exacerbate the rift between China and the Soviet Union or to exploit it against either country. The fact remains that their differences helped to create the unparalleled opportunity we have recently had to improve our relations and to create new patterns of working with both.

Indeed, the overall prospect is for engagement of the two Communist powers in a web of relationships with leading non-Communist nations. Such increasing interdependence should in time temper cold war enmities and increase chances for a more durable peace. In part this is what the President meant when he spoke of building "a structure of peace to which all nations contribute and in which all nations have a stake."³

Environment of Disarmament

A second important factor in the new setting of our diplomacy is that we are on the verge of moving from a period dominated by technological improvements and major augmentations in strategic arms into an environment characterized by progressive measures of disarmament and arms control.

Consider these two statements:

"... an agreement to limit strategic arms can be lasting only if it enhances the sense of security of *both* sides."⁴

"The determining factor in the success of the (SALT) talks is strict adherence to the principle of equal security of both sides, and the abandonment of all efforts to gain unilateral advantage at the expense of the other side."

The first quotation is from President Nixon,

on, the second from Soviet Communist Party General Secretary Brezhnev. Both were made well before any SALT [Strategic Arms Limitation Talks] agreement had been reached. Together they represented the necessary consensus on approach which made the resulting agreements possible.

We have signed and we should soon ratify the first agreement ever reached to curb the growth of offensive and defensive strategic weapons. When we do we will also have undertaken a treaty commitment to continue negotiations on further limitations of offensive weapons. Twenty-five years of preliminary negotiations and agreements in secondary, though important, aspects of modern armaments have reached fruition in these restraints upon the continued expansion of nuclear arms. The turning of this corner may well have placed the world in a new arms framework, one that may be called an environment of disarmament. It is our hope that it will be an environment of growing incentives by both sides to further curb strategic arms and incentives to other nations to achieve conventional arms limitations as well.

Little noticed in the SALT agreements has been a provision creating a bilateral Standing Consultative Commission with a broad mandate over matters of verification, exchange of information, and compliance and also with a mandate to examine possible changes in the strategic situation and to consider, as appropriate, proposals for further measures aimed at limiting strategic arms. Such an established mechanism of cooperation and consultation, augmenting our arms negotiations, could become an important forum for building confidence and exchanging views in confidence about strategic concepts

³The complete text of President Nixon's foreign policy report to the Congress on Feb. 9 appears in the BULLETIN of Mar. 13, 1972; part I, "1971—The Watershed Year—An Overview," begins on p. 314.

⁴The complete text of President Nixon's foreign policy report to the Congress on Feb. 18, 1970, appears in the BULLETIN of Mar. 9, 1970; the section entitled "Arms Control" begins on p. 327.

and relationships. We thus have set in motion a process which could sustain and underscore the arms control atmosphere which now prevails, leading not just to a limitation of strategic arms but to their reduction as well.

With persistence we may also anticipate the extension of this climate into conventional areas. Except for the Chinese-Soviet border, for example, central Europe remains the scene of the greatest concentration of troops in the world. During the President's visit to Moscow we and the Soviets agreed that stability and security in Europe would be served by a reciprocal reduction of armed forces and armaments and that agreement should be reached on the procedures for negotiating that reduction. It is our desire to begin such negotiations soon, and we are in consultation with our allies and the Soviets to that end.

It would be idle to pretend that far-reaching disarmament measures will come quickly. After all, they involve the vital security of nations. Nevertheless, we are already in a better climate for such progress than at any time since the war. We can be hopeful that by the end of this decade there will be significantly less reliance on policies of force and more on the politics of negotiation.

Greater Prominence of Economic Relations

If our policies must be adjusted to deal with an environment characterized by multiple sources of authority and by more prominent attention to arms control, so must they also be adjusted to give greater priority to our international economic interests. In the year that has elapsed since the President initiated our new economic policies, Americans have certainly become more aware of the connection between our economic relations with others and the jobs, the wages, and the goods we buy and sell in this country. An America that had grown accustomed to a preeminent position in world economic affairs learned that with the growing strength

of others—a strength properly encouraged by our own liberal policies—serious problems had arisen. Our trade had gone from a substantial surplus to an even more substantial deficit. Our balance of payments deficit had increased alarmingly. The exchange rate of the dollar was out of alignment.

These problems developed even in a period when our agricultural exports were increasing to a quarter of our entire agricultural production and our manufacturing exports to well over 10 percent of our manufacturing production. They developed partly because of inflationary and productivity problems in our economy, partly because others had become more efficient and more competitive.

In any case, next year and in the years that follow we will be engaged in far-reaching trade and monetary negotiations with our major trading partners—the enlarged European Common Market, which takes a quarter of our trade; with Canada, an eighth; and with Japan, a tenth. Our principal interests will be to restore a sustainable balance in our trading relationships with others while preserving, and extending, the liberal system which has made it possible for world trade to increase fivefold since 1950. We will expect fair access for our exports in foreign markets. We must in turn be prepared to continue to provide comparable access to foreign goods in our own market.

We estimate that for the country as a whole 3 million American jobs are directly dependent upon exports. Certainly an agricultural and mining State such as Kentucky has a large stake in a liberal trade policy. Of your \$750 million production of bituminous coal, for example, 20 percent can be expected to be exported and of your major crop, tobacco, well over 40 percent.

Economic relationships will also become a more prominent aspect of our foreign policy in the future because of our constantly increasing consumption of energy and nonrenewable resources. Americans account for

some 40 percent of the world's nonrenewable resources that are consumed each year. We consume, for example, 42 percent of the world's aluminum production, 38 percent of its nickel, and 32 percent of its cobalt. But our own reserves of these important metals are, in each case, less than 2 percent of total world reserves.

The case of petroleum is perhaps the most dramatic, because no American has to be reminded how important petroleum is to our automobilized and central-heated economy. Oil today supplies more than two-fifths of our total energy demand. We are by far the largest consumer of oil in the world, taking a full third of the world's annual consumption. And yet the reserves in our own country are relatively meager—only 7 percent of the world total. By contrast, tiny Kuwait, with an area less than one-sixth that of Kentucky and a population only twice that of Louisville, has over twice as much proven liquid oil as the entire United States. Although we now import only about 25 percent of our consumption, our uses are expected to increase so rapidly that we will probably be importing as much as 50 percent by 1980.

As other consuming countries—notably western Europe and Japan—will be increasing their demands on world energy supplies at the same time, the necessity for improved consultation and coordination among us is apparent. We currently are reviewing the means through which such cooperation might best be pursued.

The size and importance of our direct international investment—60 percent of the world's total and now over \$80 billion in value—likewise impels us into a more attentive foreign economic policy. Foreign investment, the producer of our largest net inflow in balance of payments, makes a major contribution to the economic development of other countries and also to our own economic well-being. It is important that such investment be made wisely and with sensitivity to the needs and aspirations of the recipient countries. It is important also that investors

be able to rely upon the conditions under which they have been invited to invest their capital.

Nor could our economic policy be complete without a major component of interest in the economic growth of the less developed world. For areas of poverty and underdevelopment could easily become the breeding ground of the most serious international disturbances during the rest of this century. Our assistance to those countries, stretching back over a quarter century, stems both from the realization that our own interests will be better protected in an economically advancing world and from a spirit of generosity which has typically characterized America's involvement in the world.

The strenuous efforts of the developing countries, supplemented by assistance from ourselves and others, have begun to have a tangible effect. In 1969, for example, the per capita growth rate in the developing world for the first time exceeded that in the developed world, and the trend continued in 1970 and 1971. But because that rate is applied to such disparate economic bases, the absolute gap between developed and developing is continuing to increase sharply. Thus, it will remain as urgent as it ever was for the United States to contribute generously to the process of development.

Technology-Related Issues in Diplomacy

An environment of multiple sources of power, of disarmament, and of a prominent economic policy is an environment of international relations considerably different from the bipolar, armed-security-oriented, and highly politicized setting in which we have previously worked. A fourth element of the coming international ambience is perhaps more evolutionary in nature. But it is one which will be an increasing element in diplomacy in future years. It embraces a wide variety of factors which Secretary of State Rogers called the "common concerns of diplomacy" in his report to the Congress on

foreign policy last year. As he then expressed it: ⁵

The rapidly growing interdependence of states has thrust to the forefront a host of new policy issues with which the United States must deal during the rest of this century—drug abuse, pollution, population growth, exploitation of the deep seabed, peaceful uses of nuclear energy, beneficial applications of space technology, and protection of man's cultural heritage.

Most of these new issues are related in one way or another to recent advances in technology. Most of them would hardly have been thought about—or would have occupied only a tertiary place—only a decade ago. But today and in the future the growing requirements for international cooperation and for agreed transnational regulation in such fields will be even more extensive. There is already a marked increase in the aspects of our diplomacy which involve not bilateral but multilateral relationships and which concern not geographical but functional issues.

We are all conscious, for example, of the domestic priority being given to combating pollution and protecting the environment. Internationally the government is also giving these objectives major emphasis. It was at our proposal that the United Nations Conference on the Human Environment, meeting in Stockholm this June, established concrete goals for the international community in eliminating pollution and recommended establishment of a five-year \$100 million U.N. Fund for the Environment. We will ask Congress for appropriations to allow this country to contribute up to 40 percent of that fund.

It was also our initiative that led to the establishment two years ago of a U.N. Fund for Population Activities. Improved population control is the single element that could most quickly accelerate progress in improving standards of living in many areas of the

world. For the beneficial effects of substantial increases in production are currently being diluted in many areas by birth rates well above those of the developed world. Population restraints on a worldwide basis, indeed, can be achieved none too soon. Even if the world could reduce its birth rate to the replacement level—two children per family—by the year 2000 (a very optimistic assumption), the world's population would continue to grow for 70 more years and would not level off until it was 7.4 billion people—over twice today's population. The longer we wait the more serious this problem will become.

Man's use and exploitation of the seas and the deep seabed has also become a burning international issue through the developing capability of technology to plumb the seabeds for oil and other valuable resources and to exploit fisheries in a way unimagined only a few years ago. Some consequences are already becoming apparent. In 1969, despite greater mechanization and intensity of fishing, for example, the total catch of the world's fisheries dropped for the first time in 20 years.

To safeguard such vital resources of the seas and to provide for equitable and orderly utilization of the seas and seabeds, there is a clear need for international rules of jurisdiction and conduct. That is the main purpose of next year's U.N. Conference on the Law of the Sea. Our diplomacy is already deeply engaged in the effort to make this conference a success. The subject may not dominate the headlines, but it is already pre-occupying the foreign offices of the entire world. This is as it should be when it is realized that the decisions reached on the law of the sea will affect over half the earth's surface.

The scope of these newer issues of foreign policy is thus wide. We are involved simultaneously in extensive efforts ranging from control of the international narcotics traffic to achieving effective international action to curb aircraft hijacking. Such issues are part of a growing need for new international law and for more effective international institu-

⁵ "United States Foreign Policy 1971"; for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (Department of State publication 8634; 621 pp.; \$2.75). For Secretary Rogers' letter of transmittal and introductory comment, see BULLETIN of Mar. 27, 1972, p. 459.

tions. They will be a large element of the framework within which our future diplomacy will work.

Earlier this year the authors of a new computer study on future economic and population trends, "The Limits to Growth," concluded:

If the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next one hundred years. The most probable result will be a rather sudden and uncontrollable decline in both population and industrial capacity.

I might note that the approach the book's authors used to reach their conclusion is the subject of heated scholarly debate, and I do not intend to endorse the melancholy conclusion that the world may be heading toward a disaster. But the connection among the problems of population increase, pollution, and the depletion of natural resources in this analysis is a real one. It is with such realities that much of international diplomacy, as well as of national policy, will be dealing in the future.

The advances that have been made in our foreign policy in recent years have been designed to prepare us to serve America well in this new environment in which we are moving.

—In a setting of varied sources of world influence, we are committed to the closest of ties and cooperation with our European allies and with Japan in working toward a world structure of peace. And we are committed to continuing and expanding the improvement of our relations with the Soviet Union and the People's Republic of China.

—In an atmosphere favorable to expanding control over arms, we are committed to pressing beyond temporary limitations on

strategic offensive weapons toward stable and long-lasting measures of nuclear restraint. We are committed as well to the achievement of wider measures of regional and conventional arms control.

—In a period of increasing economic complexity, we are committed to a policy designed both to correct the disparities in our own economic position and to preserve and extend the framework of liberal international trade practices that has been so instrumental in promoting economic growth and cooperation.

—And in an era of rapidly increasing technological developments, we are committed to the extension of international cooperation and international regulation over the many areas in which world interdependence links our destiny as Americans with that of the people of other countries.

The cumulative importance of these changing elements of diplomacy leads me to believe that the new environment in which our foreign policy will function will be an exciting and challenging one for international relations—an environment in which old patterns of conflict and suspicion can be broken and new patterns of cooperation created. Before us is a period which will tax our intellectual resources, because even as we maintain our caution and our military and economic strength we may have to discard many concepts of foreign policy which no longer apply.

In this process of understanding and awareness, the contribution of citizens' groups such as yours is very important. We in Washington are grateful for your interest and your support. We will need it all the more as we continue to focus our policies toward the opportunities afforded us in such a rapidly evolving environment.

Arms Control To Improve American Security

*Address by Gerard Smith*¹

I do not propose to go into specifics of the SALT ABM Treaty or the negotiating freeze on the aggregate number of ICBM's and SLBM's [intercontinental ballistic missiles; submarine-launched ballistic missiles].² They are probably fairly clear to you. If you have questions on this score, I will be glad to answer them.

Right at the start I would like to stress the role in SALT played by the Department of Defense and the Joint Chiefs of Staff. Washington folklore usually assumes that in arms control matters there is an adversary relationship between the Pentagon and the rest of the national security community. The SALT process has shown that to be a myth. The SALT agreements have the solid endorsement of the Joint Chiefs and the Department of Defense. SALT, at all times, has been a joint venture involving military and civilians from both sides of the Potomac. On this score, I would like to say how invaluable are the contributions of principal delegates Paul Nitze, who represents Mel Laird, and Lt. Gen. Royal Allison, United States Air Force, who is the personal representative of the Chairman of the Joint Chiefs of Staff.

¹ Made before the National Security Industrial Association at Washington, D.C., on Sept. 14. Ambassador Smith is Director of the U.S. Arms Control and Disarmament Agency and head of the U.S. delegation to the Strategic Arms Limitation Talks (SALT).

² For texts of the Treaty on the Limitation of Anti-Ballistic Missile Systems and the Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms signed at Moscow on May 26, see BULLETIN of June 26, 1972, p. 918.

I'm glad to see them both here today. Another invaluable principal delegate is Harold Brown, president of Cal Tech. He brings to SALT unique expertise in defense matters gained as Secretary of the Air Force, Director of Defense Research and Engineering, and director of the Lawrence Radiation Laboratory at Livermore, California.

Security Advantages of Low ABM Level

In the SALT debate that has followed last May's summit signings, there has been surprisingly little consideration given to the improvement in American security resulting from the limitation of Soviet ABM's to 200. Attention has fastened for the most part on the pros and cons of the negotiating freeze on offensive missile launchers.

I would like first to consider with you today some of the security implications of the ABM Treaty. I am convinced that this treaty is a significant advance in American security—and that, to my mind, is a fair test of any arms control agreement.

In order to maintain effectiveness as a deterrent, strategic forces must have two attributes:

1. A clear capability to survive a nuclear attack in substantial numbers; and
2. A clear capability for the surviving forces to penetrate the attacker's defenses in retaliatory strikes.

For some years we have been concerned about how to handle two potential threats to our strategic forces: the threat to their pre-launch survivability presented by offensive

weapons and the threat to their postlaunch penetrability presented by an attacker's defensive weapons.

To give you a rough idea of the extent of this second concern, at one time in the late sixties a "worst case" estimate was that U.S. retaliatory strikes might have to penetrate a Soviet defensive screen of some 8,000 ABM's during this decade.

One of the main reasons we set out in the late sixties to multiply warheads by developing and deploying land- and sea-based MIRV's [multiple independently targeted re-entry vehicles] was to keep up our penetration capability in the face of this prospect of a high level of Soviet missile defense.

Under the ABM Treaty, we now have a verifiable Soviet commitment not to deploy more than 200 ABM's, as well as certain specific measures to control the possible upgrading of air defenses. The potential threat to the penetration capability of U.S. missiles has thus been radically reduced. We can with some confidence calculate that if ever the United States were attacked our surviving missile retaliatory forces would face minimal interference on their way to targets. As a result of our programing for a much larger defensive threat than will have in fact developed, and as a result of the ABM ceiling of 200 missiles, we now have the prospect of thousands of MIRV's facing at most 200 ABM's. I think it fair to say that this should increase the deterrent effect of our strategic forces. This result constitutes arms control that demonstrably advances United States security.

We don't get this for nothing. We give up much of our freedom to use ABM's to try to reduce the threat to that other attribute of an effective deterrent—its survivability in a first strike. We are limited to 100 defensive missiles to defend fixed ICBM's, which are one of the three components of our strategic retaliatory forces. However, we have limited the threat to our ICBM's by getting a ceiling on the single Soviet system of greatest concern to us, the SS-9, and at a level considerably lower than otherwise might have been the case. Overall, it thus appears that this

limitation on U.S. ABM's for defense of ICBM's is a fair price, since with only a small number of Soviet ABM's to penetrate, each U.S. ICBM surviving a first strike would be substantially more valuable than if the first-striking nation had a large ABM defensive force. ICBM's are not the sole deterrent force; they complement, and are reinforced by, our very large SLBM force—which is not threatened by Soviet ICBM's and against which the Soviets have no significant defense—and by our heavy bombers.

I believe this ABM Treaty proves that arms control arrangements can be effective measures to meet specific threats to our security, measures to be considered as partial or complete alternatives to additional military programs to meet threats.

There is another important advantage to United States security in limiting ABM's to a very low level. It is commonly, and I think correctly, assumed that any rational decision to make a first strike would have to be based on an attacker's belief that damage to it from strategic forces surviving the attack could be kept down to a tolerable level—and this by defensive missiles destroying most of the retaliatory warheads. Under the ABM Treaty ceiling of 200, I think any such expectation would be irrational and the specter of a first strike should in time shrink to invisibility. That is no small accomplishment in the nuclear age—and a state of affairs much better than if ABM's had remained uncontrolled. These advantages of a low level of ABM's apply equally to the Soviet Union. No agreement on strategic arms would be possible unless it was advantageous to both sides.

Ceiling on Soviet Offensive Launchers

The U.S.S.R. was willing first to make an ABM treaty and subsequently negotiate limitations on strategic offensive systems; the United States was not. We held that there must be concurrent constraints on both offensive and defensive systems. The Soviets then offered a short-term negotiating freeze on the existing number of ICBM launchers, which you recall they are still building and

we are not. That was not good enough. They finally agreed at Moscow, in effect, to freeze the aggregate number of their offensive missile launchers, operational and under construction, IC's and SL's taken together, during a period of up to five years to permit negotiations for an offensive limitation treaty to proceed in a more stable context than if one side was increasing its launcher numbers while the other side was not.

Although this freeze affects ongoing Soviet launcher programs and not U.S. programs, it does take place at a time when the U.S.S.R. has under construction and operational substantially more ICBM and SLBM launchers than the United States. But it is not correct to say—as some critics do—that the negotiating freeze grants the Soviets more launchers than the United States. The freeze reflects the existing launcher situation and prevents the launcher numbers differential from becoming worse while negotiations looking to an equitable offensive force limitation treaty continue. And as I noted before, this freeze limits the single most threatening Soviet system, the SS-9 ICBM, to a much lower level than might otherwise have been the case. The United States has going for it a number of compensating advantages; for example, a large lead in the number and quality of strategic bombers, in numbers of warheads, and in strategic force technology in general.

It may help one's thinking about whether we are safe in agreeing to this negotiating freeze to consider what could be done with only a few missiles. Take, for example, one submarine equipped with 16 Poseidon missiles. The explosive energy packaged in these 16 missiles, if contained in conventional high explosives, would need several hundred thousand B-52 sorties for delivery on targets. That is many times the total explosives dropped on Germany and Japan during World War II. The nuclear warheads in these 16 missiles could be delivered to more targets than the total number of German and Japanese cities bombed by the allies. Each of these targets would be subjected to explosions considerably larger than the Hiroshima

blast. Yet the nuclear megatonnage in these 16 missiles is only a small fraction of 1 percent of that in the U.S. strategic arsenal.

During the next several years, we will be finishing the conversion of 31 Polaris submarines to carry Poseidon missiles. We will also have 10 remaining Polaris boats, over 1,000 ICBM's, and a strategic bomber force substantially larger and much more effective than that of the U.S.S.R.

And under the ABM Treaty, any defense against missiles will be minimal. I think that adds up to a much better prospect than we faced in 1969 when SALT started.

The central question is whether U.S. security is greater with than without the two SALT agreements. It seems to me clear that with the benefits resulting from the ABM Treaty and the plus of having a ceiling on the overall number of Soviet offensive launchers for a negotiating period—a period during which the United States had no launcher construction programed—the answer to that question can only be yes.

Verification of Agreements

An essential factor in judging these agreements to be in our security interest is that their implementation be verifiable. These agreements are verifiable by us, unilaterally by our national means of verification. All government agencies involved agree. We are not going to rely on "trust."

In this connection, one key feature of the SALT agreements is an undertaking by the United States and U.S.S.R. not to interfere with the national technical means of verification. This would, for example, prohibit interference with a satellite in orbit used for verification of the agreements. The two countries have also agreed not to use deliberate concealment measures to impede verification by national technical means.

These undertakings are of far-reaching importance. They lie at the heart of our confidence in the viability of the agreements. They should facilitate further agreements which are in our national interest. Without our national technical means of verification,

the SALT agreements would not have been possible. Thanks to a great extent to efforts of some of you here today and to a number of the organizations represented here, the United States has the world's finest technical verification machinery. The country owes a debt of gratitude for this, which has made the SALT achievements possible.

Sound modernization programs will be continued to keep our strategic deterrent forces up to date. The size of such programs and the speed of systems development and construction are matters beyond the scope of my responsibility. I would note that not only military judgments are involved but also national security judgments in the broadest sense of the term—involving considerations of budgets and resource allocation.

I am not an advocate of the bargaining-chip theory—if by that is meant that it is useful to start up new strategic programs as trading material to be given up in negotiations. I believe that we should get on with strategic programs that are judged to be needed for our national security. More than that is not only a waste of money but, I think, a vain hope. Great nations are not driven to make bargains involving their central security because of bargaining-chip tactics.

In closing, I'd like to stress that the SALT arrangements are a part—a most important part—of the political breakthrough which we hope the 1972 summit meeting registered. Although I believe there can be useful arms control cooperation between the United States and the U.S.S.R. even when their political relationship is not changing for the better, opportunities for greater arms control security gains will develop if Soviet-American relations in general become better. What can be done in the next rounds of SALT will, in significant measure, depend on whether the general political promise of the 1972 summit is fulfilled.

Both nations have made an investment in

the strategic arms limitation venture. I think they will not risk these investments lightly. The negotiations will probably start up again before year's end. I look forward to more arms control that advances our security.

Dr. Townes Visits Turkey Under Lincoln Lectureships

The Department of State announced on September 8 (press release 219) that Charles H. Townes, professor of physics, University of California at Berkeley, was visiting Turkey as the first lecturer to go abroad under the U.S. Government's Lincoln Lectureships. (For biographic data, see press release 219).

The Lincoln Lectureships were announced by President Nixon August 2 in a letter to Dr. James H. Billington, Chairman of the Presidentially appointed Board of Foreign Scholarships, which marked the completion of 25 years of educational exchanges under the Fulbright-Hays Act.¹ Dr. Townes, who received the Nobel Prize for his role in the invention of the maser and laser, is one of four Americans chosen by the Board for the lectureships during the 1972-73 academic year. The others are John Hope Franklin, professor of history, University of Chicago; Paul A. Samuelson, Nobel Prize-winning professor of economics, Massachusetts Institute of Technology; and John H. Updike, author, Ipswich, Mass.

Dr. Townes, whose visit to Turkey was sponsored by the U.S. Educational Commission in Turkey, lectured at the Middle East Technical University at Ankara September 8 and 9 and participated in a seminar at Istanbul September 11. He also plans a series of lectures in Europe in the spring of 1973.

¹ For text of the letter, see BULLETIN of Sept. 4, 1972, p. 252.

U.S. Calls for Prompt International Action To Settle Problems of Law of the Sea

The U.N. Committee on the Peaceful Uses of the Seabed and the Ocean Floor Beyond the Limits of National Jurisdiction met at Geneva July 17–August 18. Following is a statement made in plenary session of the committee on August 10 by John R. Stevenson, Legal Adviser of the Department of State and U.S. Representative to the committee.

Mr. Chairman [Hamilton Shirley Amerasinghe, of Sri Lanka]: In recent weeks, both you and your colleagues on the [Seabed Committee] Bureau have emphasized that this is a critical session for the United Nations Seabed Committee. We agree. Therefore we believe it is appropriate to consider the future of these negotiations and, in that context, the future of the law of the sea. It is over two years since President Nixon said:¹

The stark fact is that the law of the sea is inadequate to meet the needs of modern technology and the concerns of the international community. If it is not modernized multilaterally, unilateral action and international conflict are inevitable.

Mr. Chairman, if we are to find negotiated international solutions to the law of the sea, we must do two things promptly.

First, we must all be prepared to accommodate each other's interests and needs. We are preparing a comprehensive lawmaking treaty to govern not only the conduct of sovereign states and private persons in the ocean but also the natural resources of an area comprising two-thirds of the earth's surface. Its effectiveness will depend in large

measure on the extent to which it represents a consensus of all, rather than a group of states. To achieve this, we must identify those national interests that are of fundamental importance to each of us and avoid time-consuming and potentially divisive debate on less important matters.

Second, we must achieve agreement before events overtake our ability to do so. I cannot stress too strongly that none of us can or should stop technology and its use. If we act wisely and in a timely manner, we can insure by agreement that the technology will be used in a manner that provides maximum benefit for all mankind.

Our efforts here, Mr. Chairman, are known to many people in my country and in many others represented here today. The people who use the seas, and the people whose livelihoods either now depend or will in the future depend on the sea, are watching us. In the United States there is a growing uneasiness about our work. Most Americans concerned with the sea are dedicated to multilateral solutions to problems which have international ramifications, but they are becoming increasingly skeptical about the chances for success. Other delegations here may perceive similar developments taking place in their own countries. We must not allow confidence to be shaken in our ability to negotiate timely solutions to the problems we face.

Against this background, I would like to

¹ For a statement by President Nixon issued on May 23, 1970, see BULLETIN of June 15, 1970, p. 737.

comment on some aspects of the substance of these negotiations.

Ocean uses can be divided into two broad categories: resource uses and nonresource uses. The first group principally concerns fishing and seabed resources. The nonresource uses include such important interests as navigation and overflight, scientific research, and the preservation of the ocean environment.

The view of my delegation on nonresource uses has been clearly stated on a number of occasions. It is our candid assessment that there is no possibility for agreement on a breadth of the territorial sea other than 12 nautical miles. The United States and others have also made it clear that their vital interests require that agreement on a 12-mile territorial sea be coupled with agreement on free transit of straits used for international navigation, and these remain basic elements of our national policy which we will not sacrifice. We have, however, made clear that we are prepared to accommodate coastal state concerns regarding pollution and navigational safety in straits and have made proposals to that effect in Subcommittee II.

The views of my delegation on resource issues have also been stated on a number of occasions. Unfortunately, some delegations appear to have the impression that maritime countries in general, and the United States in particular, can be expected to sacrifice in these negotiations basic elements of their national policy on resources. This is not true. The reality is that every nation represented here has basic interests in both resource and nonresource uses that require accommodation. Accordingly, we believe it is important to dispel any possible misconceptions that my government would agree to a monopoly by an international operating agency over deep seabed exploitation or to any type of economic zone that does not accommodate basic United States interests with respect to resources as well as navigation. I would like to amplify this point with a few remarks on some of these basic elements.

Coastal Resources Generally

Mr. Chairman, in order to achieve agreement, we are prepared to agree to broad coastal state economic jurisdiction in adjacent waters and seabed areas beyond the territorial sea as part of an overall law-of-the-sea settlement. However, the jurisdiction of the coastal state to manage the resources in these areas must be tempered by international standards which will offer reasonable prospects that the interests of other states and the international community will be protected. It is essential that coastal state jurisdiction over fisheries and over the mineral resources of the continental margins be subject to international standards and compulsory settlement of disputes.

Seabed Resources—Coastal Areas

We can accept virtually complete coastal state resource-management jurisdiction over resources in adjacent seabed areas if this jurisdiction is subject to international treaty limitations in five respects:

1. *International treaty standards to prevent unreasonable interference with other uses of the ocean.* A settlement based on combining coastal state resource-management jurisdiction with protection of nonresource uses can only be effective if the different uses are accommodated. This requires internationally agreed standards pursuant to which the coastal state will insure, subject to compulsory dispute settlement, that there is no unreasonable interference with navigation, overflight, and other uses.

2. *International treaty standards to protect the ocean from pollution.* As a coastal state, we do not wish to suffer pollution of the ocean from seabed activities anywhere. We consider it basic that minimum internationally agreed pollution standards apply even to areas in which the coastal state enjoys resource jurisdiction.

3. *International treaty standards to protect the integrity of investment.* When a coastal state permits foreign nationals to

make investments in areas under its resource-management jurisdiction, the integrity of such investments should be protected by the treaty. Security of tenure and a stable investment climate should attract foreign investment and technology to areas managed by developing coastal states. Without such protection in the treaty, investment may well go elsewhere.

4. *Sharing of revenues for international community purposes.* We continue to believe that the equitable distribution of benefits from the seabeds can best be assured if treaty standards provide for sharing some of the revenues from continental margin minerals with the international community, particularly for the benefit of developing countries. Coastal states in a particular region should not bear the entire burden of assuring equitable treatment for the landlocked and shelf-locked states in that region, nor should they bear the entire burden for states with narrow shelves and little petroleum potential off their coasts. The problem is international, and the best solution would be international. We repeat this offer as part of an overall settlement despite our conclusion from previous exploitation patterns that a significant portion of the total international revenues will come from the continental margin off the United States in early years. We are concerned about the opposition to this idea implicit in the position of those advocating an exclusive economic zone.

5. *Compulsory settlement of disputes.* International standards such as those I described are necessary to protect certain non-coastal and international interests and thus render agreement possible. Accordingly, effective assurance that the standards will be observed is a key element in achieving agreement. Adequate assurance can only be provided by an impartial procedure for the settlement of disputes. These disputes, in the view of my delegation, must be settled ultimately by the decision of a third party. For us, then, the principle of compulsory dispute settlement is essential.

Seabed Resources—Deep Seabeds

In many respects, the deep seabeds present the newest and most exciting aspects of our work. Although we cannot agree that international law prohibits the exploitation of deep seabed resources in accordance with high seas principles, we fully share the desire to establish an equitable, internationally agreed regime for the area and its resources as the common heritage of mankind. The sooner we do so, the earlier we will terminate essentially divisive and counterproductive disputes over the present legal status of deep seabed exploitation as well as over the position taken by some delegations, with which we have consistently disagreed, that "common heritage" means the "common property" of mankind.

Our interest in the prompt establishment and effectiveness of an equitable international regime for the seabed is demonstrated both by the comprehensive draft treaty we presented two years ago and by President Nixon's statement that any prior exploitation of the deep seabed area must be "subject to the international regime to be agreed upon."

The basic interests we seek to protect in an international seabed regime are reflected in the five points to which I referred earlier, coupled with our proposal for international machinery to authorize and regulate exploration and use of the resources of the area. An effective and equitable regime must protect not only the interests of the developing countries but also those of the developed countries by establishing reasonable and secure investment conditions for their nationals who will invest their capital and technology in the deep seabeds. In order to provide the necessary protections for all nations with important interests in the area, it is also necessary to establish a system of decisionmaking which takes this into account and provides for compulsory settlement of disputes. We do not regard these objectives as inconsistent with the desire of other coun-

tries for equitable participation in deep seabed exploitation and its benefits.

Finally, Mr. Chairman, it is our view that the benefits to be derived from the operation of this new treaty should only be made available to those nations who are prepared to ratify or accede to it. Those benefits, as all of us in this room know, are manifold. New technology for mining in the seabeds is rapidly opening up new prospects for important mineral supplies. As development proceeds, vast new knowledge will emerge as man begins the serious exploration of the ocean and its resources. Mining in the oceans will generate revenues as well. All these benefits, Mr. Chairman, should be shared. We are capable in this committee of making the decisions which will enable these benefits to be realized, but we must get about the business of making these decisions promptly or we will be precluded from doing so.

Fisheries

With respect to fisheries, our basic interest is to assure rational use and conservation of all fish stocks. To achieve this, we believe coastal states should have substantial jurisdiction over all fisheries, including anadromous species, except where the migratory habits of certain fish stocks dictate another system; for example, the highly migratory tuna should be managed pursuant to multi-lateral arrangements. In coastal areas, jurisdiction should be limited by such international standards as would assure conservation and full utilization of the living resources.

It is widely understood that the United States shares the interests of many other coastal states. However, the fact that over 80 percent of our fisheries are off our own coast does not mean that we are prepared to abandon the remaining 20 percent, the distant-water segment of our industry. There are reasonable ways to accommodate the interests of both coastal and distant-water fishing states and to assure the kind of

special cooperation between states in a region that many delegations have urged. We believe that a solution of the fisheries problem should take into account the migratory habits of fish and the manner in which they are fished. Thus we can support broad coastal state jurisdiction over coastal and anadromous fisheries beyond the territorial sea subject to international standards designed to insure conservation, maximum utilization, and equitable allocation of fisheries, with compulsory dispute settlement, but with international regulation of highly migratory species such as tuna.

Our detailed proposals on this matter have been elaborated further in Subcommittee II. The proposals reflect our continuing belief that both sound conservation and rational utilization must take into account the biology and distribution of living marine resources. But they also respond to the expressed desire of coastal states for direct regulatory authority and preferential rights over coastal and anadromous fisheries. However, it is fundamental that fish stocks must be conserved and that there must be maximum utilization of stocks not fully utilized by local fishermen. Moreover, account should be taken of traditional fishing activities of other nations, as well as the desire of states to enter into special arrangements with their neighbors. We remain convinced that highly migratory oceanic species can only be properly regulated through international organizations. It is our hope that our new proposals will move the committee closer to a solution to the complex fisheries problems involved.

Need for New Political Will

Mr. Chairman, I would like to conclude my statement with some general comments. While my delegation must confess its disappointment in our progress to date, we must also point out those areas where we believe important progress has been made.

Looked at from a broad perspective, we see various signs that make us cautiously op-

timistic. It is clear that the negotiating positions of various states are now substantially closer together than their juridical positions. This is particularly the case with respect to the width of the territorial sea and coastal state jurisdiction over resources beyond the territorial sea.

Mr. Chairman, I welcomed the interesting reports of the distinguished Representatives of Venezuela and Kenya on the results of the Santo Domingo Conference of Caribbean States and the Yaoundé Seminar of African countries. While applauding their contribution to the continuing development of a generally acceptable agreement, I should point out they do not fully take into account a number of the factors I have discussed earlier in this statement. I note in particular the absence of any reference to international standards and dispute-settlement procedures applicable to coastal state resource jurisdiction and of any distinction in the treatment of living resources based on their migratory characteristics. However, these documents certainly provide a starting point for serious negotiations, and if harmonized with my own delegation's statement today, there might be a potential for merging together in a new treaty what are otherwise widely disparate positions. Perhaps then the very beginnings of an outline might emerge which could become the basis for a successful 1973 conference. I hope so, Mr. Chairman.

Another source of hope is the work of Subcommittee I. We have given priority to the negotiation of the regime, and we are beginning to see not only concrete results but an open and constructive negotiating atmosphere. The distinguished Representative of the Cameroon, chairman of the First Subcommittee, and your distinguished colleague from Sri Lanka, chairman of the working group, have through their tireless efforts helped break new ground in this committee, which makes us believe that where there is political will our negotiations will bear fruit.

This new political will, however, must infuse our work in the other subcommittees as well, and it must occur now. The "list" [of subjects and issues relating to the law of the

sea] must be disposed of and work begun on the drafting of articles. We are confident, Mr. Chairman, that once such work begins it will move rapidly and a successful conference will be within our grasp. But if we wait longer, Mr. Chairman, we wonder if a successful conference will ever be possible. Let us all begin to work now to avoid such a tragedy.

Finally, in closing, Mr. Chairman, I want to express to you the sincere appreciation of my delegation for your wisdom, guidance, and firm leadership through what we hope will be one of the most important and successful negotiations to have taken place in our times. We wish you continued success at this endeavor and will give you all our support.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on September 8 confirmed the following nominations:

Frank T. Bow to be Ambassador to Panama. (For biographic data, see White House press release dated August 15.)

Hermann F. Eilts to be Ambassador to the People's Republic of Bangladesh. (For biographic data, see White House press release dated August 11.)

Frederick Irving to be Ambassador to Iceland. (For biographic data, see Department of State press release 226 dated September 15.)

George W. Landau to be Ambassador to Paraguay. (For biographic data, see White House press release dated August 11.)

Joseph A. Mendenhall to be Ambassador to the Malagasy Republic. (For biographic data, see White House press release dated August 18.)

Adm. Horacio Rivero, U.S. Navy, retired, to be Ambassador to Spain. (For biographic data, see White House press release dated August 11.)

Talcott W. Seelye to be Ambassador to the Republic of Tunisia. (For biographic data, see White House press release dated August 18.)

Viron P. Vaky to be Ambassador to Costa Rica. (For biographic data, see White House press release dated August 11.)

United States and Colombia Sign Treaty Concerning Certain Caribbean Reefs

Press release 218 dated September 11

The United States and Colombia signed a treaty on September 8 at Bogotá in which the United States renounces all claims of sovereignty to three groups of small reefs in the Caribbean, Quitá Sueño Bank and the cays on Roncador and Serrana Banks. Minister of Foreign Affairs Dr. Alfredo Vazquez Carrizosa signed for Colombia; Ambassador Leonard J. Saccio signed for the United States.

Under the treaty, Colombia will guarantee to U.S. nationals and vessels a continuation of fishing in the waters adjacent to the cays on Roncador and Serrana, subject to reasonable conservation measures to be applied on a nondiscriminatory basis. Quitá Sueño is submerged at high tide and thus, according to the U.S. view, is a part of the high seas and not subject to a claim of sovereignty by any government. U.S. and Colombian nationals and vessels will continue to exercise their rights to fish without interference in the waters adjacent to Quitá Sueño Bank.

The three areas covered by the treaty are located between 380 and 460 miles from the Colombian mainland. All the cays of these areas are uninhabited, the largest one measuring approximately 1,000 by 3,000 yards (about one square mile). The United States claimed them in the latter part of the 19th century under the terms of the Guano Islands Act of 1856. In 1890 Colombia protested United States extraction of guano from these cays and claimed that upon achieving independence from Spain it had succeeded to sovereignty over them. In 1928 the United States and Colombia recognized the existence of each other's claims and agreed to maintain the status quo. For many

years the United States has maintained a lighthouse on Quitá Sueño and navigational beacons on Roncador and Serrana, and vessels of both countries have conducted fishing activities in the area.

Under the terms of the treaty and accompanying notes, the U.S. Government agrees to grant to Colombia permanent ownership of the lighthouse and navigational aids, after consultations between experts of both countries to assure their continued safe operation and maintenance for the benefit of all mariners.

Current Actions

MULTILATERAL

Agriculture

International plant protection convention. Done at Rome December 6, 1951. Entered into force April 3, 1952.

Ratification deposited: United States, August 18, 1972.¹

Entered into force for the United States: August 18, 1972.

Aviation

Convention on offenses and certain other acts committed on board aircraft. Done at Tokyo September 14, 1963. Entered into force December 4, 1969. TIAS 6768.

Accessions deposited: Cyprus, May 31, 1972; South Africa (with a reservation), May 26, 1972.

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.

Ratification deposited: Argentina (with a statement), September 11, 1972.

Protocol to amend the convention for the unification of certain rules relating to international carriage by air signed at Warsaw on October 12, 1929 (49 Stat. 3000), as amended by the protocol done at The Hague on September 28, 1955. Done at Guatemala City March 8, 1971.²

Signature: Argentina, August 28, 1972.

Protocol relating to an amendment to the convention on international civil aviation, as amended (TIAS 1591, 3756, 5170). Done at New York March 12, 1971.²

Ratifications deposited: Dahomey, August 15, 1972; Federal Republic of Germany, August 25, 1972.

¹ Applicable to all territories for the international relations of which it is responsible.

² Not in force.

Biological Weapons

Convention on the prohibition of the development, production and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow April 10, 1972.²

Signature: San Marino, September 12, 1972.

Ratification deposited: Bulgaria, September 13, 1972.

Finance

Articles of agreement of the International Bank for Reconstruction and Development, as amended. Done at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1502, 5929.

Signature and acceptance: Bahrain, September 15, 1972.

Judicial Procedures

Convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters. Done at The Hague November 15, 1965. Entered into force February 10, 1969. TIAS 6638.

Ratification deposited: Israel, August 14, 1972 (with declarations).

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annexes. Done at Washington August 20, 1971.²

Ratification deposited: Nicaragua, September 13, 1972.

BILATERAL

Belgium

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, as amended. Signed at Washington October 28, 1948. Entered into force September 9, 1953. TIAS 2833, 4280, 6073, 6394.

Terminates: October 13, 1972.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Brussels July 9, 1970.

Ratifications exchanged: September 13, 1972.

Enters into force: October 13, 1972.

² Not in force.

Spain

Agreement relating to the loan of certain vessels to Spain. Effected by exchange of notes at Madrid and San Sebastian May 30, and August 28, 1972. Entered into force August 28, 1972.

Viet-Nam

Agreement for sales of agricultural commodities, relating to the agreement of July 8, 1970 (TIAS 6983). Signed at Saigon August 29, 1972. Entered into force August 29, 1972.

Check List of Department of State

Press Releases: September 11-17

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Releases issued prior to September 11 which appear in this issue of the BULLETIN are Nos. 209, 210, and 211 of September 5, 212 of September 6, and 219 of September 8.

No.	Date	Subject
218	9/11	Treaty with Colombia on sovereignty over certain reefs in the Caribbean.
†221	9/11	Volume IV of "Foreign Relations" series for 1947 released.
*222	9/12	Shipping Coordinating Committee to meet Sept. 20 to consider U.S. positions on draft articles to revise the Regulations for Preventing Collisions at Sea.
*223	9/13	Entry into force of double taxation convention with Belgium.
224	9/14	Porter: 159th plenary session on Viet-Nam at Paris.
224A	9/14	Porter: additional remarks.
*225	9/14	Study group on international shipping legislation of the Secretary's Advisory Committee on Private International Law to meet Sept. 15-16.
*226	9/15	Irving sworn in as Ambassador to Iceland (biographic data).
†227	9/15	"Foreign Relations" volume on 1944 Quebec Conference released.

* Not printed.

† Held for a later issue of the BULLETIN.

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THE
DEPARTMENT
OF
STATE

BULLETIN

Vol. LXVII, No. 1737



October 9, 1972

DR. KISSINGER DISCUSSES HIS VISIT TO MOSCOW AND WESTERN EUROPE

*Transcript of News Conference
and U.S.-U.S.S.R. Joint Statement 389*

THE COLLECTIVE INTERNATIONAL EFFORT AGAINST DRUG ABUSE

Statement by Nelson Gross 401

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THE DEPARTMENT OF STATE BULLETIN

Vol. LXVII, No. 1737

October 9, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

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Dr. Kissinger Discusses His Visit to Moscow and Western Europe

Following is the transcript of a news conference held at the White House on September 16 by Henry A. Kissinger, Special Assistant to the President for National Security Affairs, together with the text of a U.S.-U.S.S.R. joint statement issued at Moscow and Washington September 14 at the conclusion of Dr. Kissinger's visit to Moscow.

TRANSCRIPT OF NEWS CONFERENCE

White House press release dated September 16

Mr. Ziegler [Ronald L. Ziegler, Press Secretary to President Nixon]: I think you are all aware of the fact that Dr. Kissinger left Washington Saturday morning, September 9, and flew to Munich, where on Sunday, September 10, he met with Chancellor Willy Brandt and Foreign Minister of Germany [Walter] Scheel and also the opposition leaders.

He left Munich on Sunday and arrived in Moscow Sunday night, September 10, where he conducted meetings with the Soviet leaders in Moscow. We have released a joint statement on those meetings this past Thursday.

Dr. Kissinger then went to London and to Paris to meet with the leaders there and also during the course of his visit, as we have already announced, held meetings with Special Adviser Le Duc Tho and also Minister Xuan Thuy of North Viet-Nam.

So as we told you last week, Dr. Kissinger would be prepared to discuss his trip with you this morning, and that is why he is here. His comments, of course, are on the record, as has been the case in the past.

Q. *The recent past?* [Laughter.]

Dr. Kissinger: First I want to make a personal comment about a remark in a newspaper whose enthusiasm for us is occasionally limited, which referred to my German accent. I wanted to say that when I was in Germany I had occasion to make a brief statement on television and I thought I might watch myself speak in one language correctly. Now I find I speak German with a Swedish accent. [Laughter.]

Now, I decided I might just as well proceed recklessly. [Laughter.]

I thought the best way to proceed would be to give you a brief summary of what we did on this trip and how it came about and then to take your questions.

The origin of the trip was during the summit meeting when, on the last day, General Secretary [of the Soviet Communist Party Leonid I.] Brezhnev and the President agreed that when our bilateral discussions had reached a point where significant progress could be made by high-level decisions they would establish direct contact with each other, in addition to the regular exchanges that are going on all the time anyway.

That point was reached in the course of the commercial negotiations and the discussions on European security and mutual balanced force reductions (MBFR), with respect to SALT [Strategic Arms Limitation Talks], and it was therefore decided that I should go to Moscow on behalf of the President to see whether these various matters could be brought to a further stage of negotiation.

The possibility was foreseen in the summit communique.¹ In the weeks prior to my visit

¹ For text of a joint communique issued at Moscow on May 29, see BULLETIN of June 26, 1972, p. 899.

to Moscow, the President and the General Secretary exchanged communications, reactions to the ideas of both sides and primarily to propositions that the President made on how one might advance various of these issues, as I will explain in a minute, so that when the discussions actually took place in Moscow, they could proceed rather expeditiously, or at least one could focus on the issues—nothing happens expeditiously in these discussions.

Let me now talk about my trip in two groups: one, my discussions in Moscow and, secondly, my discussions with the leaders of the Western alliance, with the German, French, and British leaders and, thirdly, just a very brief word about my meeting with Special Adviser Le Duc Tho and Minister Xuan Thuy yesterday.

First, the discussions in Moscow. You have the list of the people of my staff who were accompanying me, and present also was Under Secretary [of Commerce] James Lynn. Most of the discussions took place between General Secretary Brezhnev, on the Soviet side, and myself. I spent about 21 hours with General Secretary Brezhnev and an additional maybe three hours with Foreign Minister [Andrei A.] Gromyko.

On the Soviet side, the General Secretary was always accompanied by Foreign Minister Gromyko, by the Ambassador to the United States [Anatoliy F.] Dobrynin, and by his personal assistant Aleksandrov [Andrei M. Aleksandrov-Agentov]. Then, as specific topics came up, such as trade, we would be joined by appropriate Soviet experts. On our side, the membership was rotating, with the exception of my senior staff assistant [Helmut] Sonnenfeldt, who is handling the Soviet matters on my staff and who participated in practically all of the discussions.

Now let me discuss in general terms what was done. First, I would like to say that we were treated really with extraordinary hospitality and were very well taken care of. All our comforts were attended to. The discus-

sions took place in a very frank and open atmosphere but with a very constructive attitude on both sides, with the attitude that we wanted to come to agreements or to make progress that was in the interest of both sides.

We covered essentially all of the topics that you can find in the communique that was issued at the time of the summit conference. We reviewed the progress, as our joint statement says, of those agreements that were then made in order to see whether they had fulfilled the expectations and what further accomplishments could be made. It was a sense that we were moving in the right direction and that we could continue and even accelerate the progress in those areas where agreements had been achieved.

Let me talk about those areas in which some new steps were either taken or were prepared. First, the area of lend-lease, trade, and the general commercial relationship between our two countries. As you know, this was discussed at some length at the summit and some progress had been made then. There had been an agreement to create a U.S.-Soviet economic commission, the first meeting of which, chaired by Secretary [of Commerce Peter G.] Peterson, took place in July. When Secretary Peterson was in the Soviet Union there was a further advance in defining the issues.

Prior to my visit to the Soviet Union, the President communicated directly with the Soviet leaders with the approach that what we should do is, rather than deal with each of these topics separately, to see whether we could manage a global approach that would tie together the issues of lend-lease, most-favored-nation, a trade agreement, a maritime agreement, into one overall negotiation in which we would set ourselves an objective of where we wanted to be and then work toward it.

These issues, as you all know, are technically extremely complex. I am not the best qualified person, to put it mildly, to get into all the technical subtleties or the legal issues

that each of these issues raises. However, we made major progress on the lend-lease issue in the sense of agreeing on a method by which the sums could be determined in the negotiations that are now starting and with relation to a whole host of issues like postponement and rate of payment that had been left unsettled. A Soviet group will come over here next week, and we are confident that a satisfactory solution will be achieved.

Concurrently with this, we discussed the issues of how to proceed on the trade front and the granting of most-favored-nation status to the Soviet Union. Again, this raises a whole host of questions, such as the definition, how we would define most-favored-nation status, issues related to market disruption, to arbitration, so that our businessmen have assurances of some appeal mechanisms that are not dependent entirely on national jurisdiction, business facilities, trade centers, et cetera; and again, very major progress was made in all of these categories, first in principle between General Secretary Brezhnev and myself and then in detail between Under Secretary Lynn and his Soviet counterpart. And again, a Soviet group will come over here next week to conclude the arrangements.

The third area was to settle some of the remaining issues with respect to the maritime agreement; and there, too, many of the difficulties were ironed out. Again, a Soviet group is coming here next week, and we are confident that we can conclude the arrangements.

Q. Three groups are coming?

Dr. Kissinger: The essence of this arrangement is that, on the basis of the President's approach, it is being handled as one negotiation, but it is in the Soviet bureaucracy split up among three different ministries. For that reason, three different groups are coming, but we are working according to an overall concept.

Then there were some discussions about the extension of credits, in which I believe we

achieved a satisfactory meeting of the minds, and about the joint development of certain natural resources in the Soviet Union, which is a matter that has to be handled primarily by private capital but in which, as a first step, we are planning to set up mechanisms to make a systematic review of the problem and to permit us to make decisions on an overall basis, rather than on an ad hoc approach. Those will be announced in due course.

So much for the trade issues, which was the first issue discussed—I may say, because I always read accounts—which was discussed without relationship to any other topic and without its being made conditional on progress in any other area. Indeed, it was essentially concluded before we turned to any other area.

Now, with respect to the other issues that were discussed and that were covered in the communique, it was, first of all, the problem of our mutual balanced force reductions and the European Security Conference. You ladies and gentlemen are all familiar with the Soviet position, which has been that there should be a preparatory European Security Conference toward the end of this year. Indeed, the joint communique that was issued at the summit meeting made reference to preparations in that direction.

The United States position, which was also provided for in the summit communique—to which our NATO allies agreed—was that there should be a relationship between that conference and a conference on mutual balanced force reduction which should take place in some related manner.

Now, this, of course, raises the theological problem of "linkage," which you ladies and gentlemen and we have discussed at enormous lengths and which the Soviet Union has never accepted as a formal concept. Matters were at somewhat of a stalemate in this respect, but we had extensive discussions of this problem.

The President, again, prior to my arrival there communicated again our general atti-

tude on this issue to the General Secretary. As a result of it, of this and the discussions, the Soviet Union has now made a general proposal to us which we are discussing with our allies and other interested parties. The details I cannot go into until we have the reaction of other countries, but on the basis of preliminary discussions by myself with European leaders and by Mr. Sonnenfeldt at the NATO Council, indications are that it is at least worthy of very serious consideration. So this is a matter that will now be pursued in diplomatic channels, and as soon as these consultations are completed, we will make announcements; but I think it is correct to say that we have made significant progress in this area, too.

The third area that was discussed concerned the resumption of the SALT negotiations, which was discussed on two levels: one, the procedural one of when these talks might resume; and the second in terms of a very general philosophical discussion of what the direction might be in which these talks could go in a very preliminary way, but still in order to lay the basis for working along parallel lines. Again, we have reason to believe that progress has been made, and as soon as the precise date is fixed, we will announce it, but we are on the approximate schedule that we have set for ourselves. We believe that the second round of SALT can make a major contribution to peace and stability of the world.

In addition to the topics that were covered in the communique specifically, there was the review of the international situation with the major areas being covered, but I will reserve that for the question period.

Now a word about my meeting with European leaders. We have, of course, always considered our relationships with Europe a cardinal aspect of American policy and the cornerstone of the whole structure of peace, which has been pointed out in each of the President's annual foreign policy reports. The President urged me to stress to all of the leaders, each of the leaders that I saw, that

his conviction that whatever progress we were making in our dealings with other nations, similar and preferably greater progress has to be made in European-American relationships.

We are now at the end of the period in which military security alone could be the cement of Western relationships. Of course, Atlantic relationships have to be adapted to the circumstances of the emergence of a more united Europe and an economically much stronger Europe and also to the tendency in the world in which negotiation is increasingly replacing confrontation. So I was asked on behalf of the President to point out to them that as soon as his schedule would be less pressed by domestic exigencies, he hoped to resume most intense consultations with our European friends on how to put relationships between Europe and the United States on a new, even more dynamic and constructive basis, consistent with the change in the international situation that had occurred.

Finally, I had, as you know, a meeting yesterday with the North Vietnamese negotiators. But, as always, by mutual agreement, we will not discuss the substance of these discussions, and therefore I not only cannot be very specific, I cannot say anything about the substance of those discussions at all.

Those were the highlights of the trip. Now I will be delighted to answer any questions on anything that I may have said or anything that I should have said.

Q. Henry, in simpler language, could you tell us what you meant by the statement that the President asked you to convey to European leaders?

Dr. Kissinger: At Harvard, as you know, complexity is identified with profundity, or as Ron Ziegler says, in simpler language, "This is as simple as I ever get."

What I meant was that the world in which Atlantic relationships were formulated was essentially a bipolar world which was based on and which grew out, at that time, of European weakness, of common fears of aggres-

tion, and of American dominance in almost every field.

We now face a situation in which the European Economic Community is becoming increasingly strong and in which the accession of four more countries to the Common Market will create an even larger grouping. We face a situation also in which the domestic stability of European countries has been substantially assured and in which the bipolar world in the fifties and even sixties is being replaced increasingly by a more complex set of international relations.

Therefore, it becomes important that when we speak about Atlantic partnership that we do not affirm it in the abstract every six months but have something concrete to work on together, but to find some common task and to define what is needed for the solution of these issues that are arising; and that will be one of the principal tasks of our foreign policy in the next phase.

Q. Do you see that the Viet Cong announcement this past week, endorsed by Hanoi, offers any prospect at all for a widening or a progress in the negotiations?

Dr. Kissinger: As you can appreciate, it is extremely difficult for me to comment about any particular proposal that may have been made publicly without getting into the substance of the talks. Our position has been this: As you know from our public statements, we are prepared to leave the future political evolution of South Viet-Nam to the decision of the South Vietnamese. We do not insist on any particular political orientation, nor do we insist that the government in South Viet-Nam inevitably be pro-American.

What we do reject, however, is that we, as a result of the negotiations, impose a particular form of government on the South Vietnamese or that we would accept proposals whose practical consequence and clearly predictable consequence is to bring this about. These are our principles in handling this negotiation, and we are pursuing them very earnestly and with every intention of bring-

ing about a rapid conclusion of the war.

Q. Do you think the Viet Cong's latest proposals do that?

Dr. Kissinger: The latest Viet Cong proposal leaves something to be desired in that respect.

Q. Dr. Kissinger, did you discuss with General Secretary Brezhnev or with any of the other heads of state or their assistants the matters of air piracy and other forms of terrorism and if it were possible for any of them to use their influence not to accept and harbor terrorists or air pirates?

Dr. Kissinger: As you know, the issues which you have just mentioned are being pursued very actively in diplomatic channels. They require, really, for an effective control, a global cooperation of at least a majority of countries. I know that the State Department is pursuing it extremely actively and the Secretary of State has made approaches to many leaders of the world.

So I have confined myself on this trip to underlining the importance that the President attaches to the solution of this problem without going into the details of a negotiation which is being conducted in diplomatic channels, but we did underline the importance of the subject.

Q. Do you think that after your talks in Moscow the "Helsinki tea party," as an opener for the European Security Conference, can take place on the 22d of November and, secondly, in a parallel set of timing, the MBFR discussion can also be initiated?

Dr. Kissinger: The question, which was very objectively stated, was whether the "Helsinki tea party" could take place on November 22, which for the benefit of the Washington Post means whether the European security preparatory conference can take place then and whether the MBFR conference will take place at a roughly parallel period.

The exact date of these conferences will

have to be established through the consultations that are now taking place in response to the Soviet proposal that has been made.

Our position is that unless these two conferences take place in some related time frame, it will be very difficult for us to agree to what you call the "Helsinki tea party." We think a framework for the solution of this problem now exists and that progress can be made without tying ourselves to any one particular date. We think that this is approaching a solution.

Q. Dr. Kissinger, you said in San Clemente that you had some reason to believe that—

Dr. Kissinger: Did I talk to the press in San Clemente?

Q. Yes, you did. You said you had some reason to believe that North Viet-Nam would negotiate seriously. Has that belief been realized? Are they negotiating seriously?

Dr. Kissinger: Yes, I remember. That was in July. Isn't there a statute of limitations on my statements? [Laughter.] I said that we were entering these discussions and on the basis of the preparatory exchanges that had taken place we had made clear our view that we expected some serious negotiation. All I can say is that the fact that these talks are going on would indicate a certain seriousness.

Q. Dr. Kissinger, what is your latest information regarding the possibility that North Viet-Nam will launch another offensive this fall, either major or minor?

Dr. Kissinger: Well, you know, the affected parties always have a high incentive to predict constant offensives because that way they can never be accused of intelligence lags, so one would not be surprised if there were other high points and even some offensives. We do not anticipate that they will reach the scale, the intensity, or the duration of the military activities earlier this year or that they will not be able to be essentially

contained without precluding a setback and there.

The major point, though, now about military action is that it is essential to understand that there is no purely military solution to this problem. We have recognized that there is no purely military solution to this problem; we hope that North Viet-Nam will also realize that there is no military solution to this problem.

When there is no military solution to the problem, then the only alternative is to negotiate on a basis that is just to both sides that both sides will have an interest in maintaining.

Q. Dr. Kissinger, what, then, would say has been the impact of the bombing the mining and the possibility that if have not done something so far, that would in the future?

Dr. Kissinger: I just don't want to discuss where we stand in the negotiations. It is always very dangerous to take isolated intelligence reports or isolated excerpts from intelligence reports and build profound conclusions on them. Every report is based on a set of assumptions. It depends very much on what question it is supposed to answer. Therefore I really don't want to discuss what may or may not have happened in the negotiations, to what degree what is happening now may or may not be affected by military actions. I do not think it is helpful, frankly I don't think that isolated reports without very careful analysis can be used for definitive conclusions.

Q. Dr. Kissinger, going back to the last Viet Cong proposal, do you see any difference in this proposal? Is there anything different from the earlier position?

Dr. Kissinger: Again, I don't want to conduct the negotiations that are going on publicly. As I have said, our basic principle is that we will not, as a result of a negotiation, impose a particular form of government that guarantees predominance to one side.

will stick to what was said at the plenary sessions by Ambassador [William J.] Porphiris and I will not go beyond that.

Q. *They said that their proposal was a rejection by no side.*

Dr. Kissinger: The question is not what was said but what the actual consequence of the meetings was.

Q. *You characterized your meetings in the Soviet Union with words such as "major progress," "significant progress." Could you use the same adjective to describe your meetings with Le Duc Tho?*

Dr. Kissinger: I just wouldn't comment on the substance. I would like to, but we have no understanding that neither side will comment on the substance of the meetings, and we must maintain that.

Q. *Why is it that you didn't see Kosygin, Nikolai N. Kosygin, Chairman, Soviet Council of Ministers] and he didn't take part in these discussions?*

Dr. Kissinger: I think when General Secretary Brezhnev holds his next press conference, that will be a very good question to put to him. [Laughter.]

Q. *Dr. Kissinger, in your discussions in Moscow, did you take up the question of the Russian ransom on Jewish would-be emigrants?*

Dr. Kissinger: We raised this question in a number of ways, yes.

Q. *At this meeting?*

Dr. Kissinger: Yes, at this meeting.

Q. *In your opening remarks, you suggested you might be willing to say something about your discussions on Viet-Nam in the Soviet Union; that is, were they productive, or can you say anything about them? Before we left, there were some reports that some people in the administration, notably Secretary Rogers, held out hope for a settlement*

before or just after the election. Do you share this?

Dr. Kissinger: First, about the discussions on Viet-Nam in the Soviet Union, as Ron Ziegler has already said at his briefing, Viet-Nam was discussed and obviously it was discussed at some length. Again, it is clear that the Soviet Union stands for certain principles in its international affairs and that they have a different perspective on Viet-Nam than we do. But we had a full discussion, and that is really all I want to say about it.

Secondly, however, it has always been understood, we have always understood, that the issue of Viet-Nam will be settled finally in negotiations between us and our allies and the North Vietnamese and their allies, so that the ultimate solution of the Viet-Nam problem is not being sought by us in Moscow or Peking or any other capital, but in the negotiations that are now going on in Paris.

Now, as for speculating when the war might end, as I understood the Secretary of State, he listed all the factors that might lead reasonable people to conclude that this was an opportune moment to end the war. All I can say, and I can only speak for us, we have always wanted to end the war by negotiation. We would like to end it as rapidly as possible through negotiations. I think it is better to let results speak for themselves, rather than to set arbitrary deadlines.

Q. *In light of your remarks about what the President asked you to convey to European leaders about more intensive consultations about the changed relations in the world, does that indicate to us that maybe the President is planning a trip to Europe soon after the election? If so, how soon?*

Dr. Kissinger: This did not refer to any particular trips that the President might take. Let me say two things.

First of all, he was not speaking only about consultation; he was talking about content. One cannot always substitute consultation

for policy. Our intention is to develop a program for an Atlantic partnership in close cooperation with our European friends, but it is reasonable to assume that one way or another they will expect to be in close touch with each other. I must say that the feeling that I conveyed on behalf of the President was strongly reciprocated by European leaders.

Q. Dr. Kissinger, you said that you raised the question of ransom or exit fees for Soviet Jews. Can you tell us whether the Soviet Union indicated how seriously they are going to pursue this imposition? And a related question: How does the administration view the concern being expressed in Congress on this question of most-favored-nation for the Soviet Union so long as they maintain these exit fees?

Dr. Kissinger: We take congressional expressions of respected Senators extremely seriously. When and if we conclude an agreement, we will submit it to the Congress for its approval. Then there can be a full debate on this particular issue. As for what may or may not happen in the Soviet Union with respect to this issue, I think I would rather not comment.

Q. Dr. Kissinger, can you amplify on the SALT discussions that you had? Since the summit meeting, there has been extensive debate about the summit, with contentions made that the United States may be put in an inferior position. As you know, the Jackson resolution insists that there must be equality in the further discussions. Can you tell us whether the prospect for the second round of SALT has been impaired in any way by this debate?

Dr. Kissinger: No. We think that the prospects for the second round of SALT are good. I think both sides have now gained valuable experience in talking to each other about issues that great nations have never in the past talked to each other about. I have every hope that the next round of SALT may move even faster than the first round of SALT.

On the other hand, the conceptual problem

with respect to the next round of SALT much greater than it was with the last one for the following reasons. We have no difficulty whatever, indeed, we agree with the proposition that any agreement that may be made in the field of strategic arms limitation must be based on the principle of equality, and indeed, I believe that we will have no difficulty getting Soviet agreement to this as an abstract proposition. The difficulty with respect to such a proposition is to define equality. How do you relate various weapon systems to each other when the weapons on both sides have been developed, at least to some extent, according to different objectives and with different technical criteria and with a different mix? So this is a problem that will have to be carefully and thoughtfully addressed. Secondly, the first round of SALT concentrated primarily on quantitative limitations. It may well be that in some of the early phases of SALT II this will be the case.

Yet, as one looks ahead in the more distant future, one has to recognize that the strategic balance now can be upset perhaps more decisively by qualitative changes than by quantitative changes.

If you look at the problem of verification you will recognize that qualitative changes are infinitely harder to verify and control than quantitative changes.

So I would say that we have a major intellectual problem ahead of us, first, with our government to come up with definitions to the problems which you raise.

Therefore, it is probable that the first stage of these negotiations will concern principles, approaches, rather than very precise negotiating positions, as indeed SALT I did also.

But on the other side of the ledger is the one cannot help but be struck by the fact that one can now talk to Soviet leaders about weapons on which the survival of both sides depends in a way that would have been inconceivable in traditional diplomacy and would have been quite difficult to imagine even in the first phase of the SALT negotiations.

But we have not developed our own thinking

ing to a point where we can be concrete, and my impression was that the Soviet leaders have the same intellectual problems that we have; but it was interesting that both sides found it possible to talk even about those.

Q. Do you expect to have this trade treaty ready to submit to Congress this session?

Dr. Kissinger: Well, I don't want to predict when this treaty will be finished. The Soviet delegations are coming over here. We certainly hope to have it completed before the end of this year. To have it ready by the end of this congressional session would be pushing it a little hard, but we expect to iron out many of the remaining difficulties, most of the remaining differences, in the next few weeks. How this will relate to the congressional session we cannot be sure. But this is our approximate schedule.

Q. Do you consider the Jackson amendment to be a useful bargaining tool?

Dr. Kissinger: I think we have pretty well exhausted the Jackson amendment. It has now been passed by the Senate, and we stand by what we previously said with respect to it.

Q. Was there any discussion with Soviet leaders on the possible development of the Japan-China relationship?

Dr. Kissinger: As I pointed out, there was a general review of the international situation, and this is not one of its least significant aspects; but most of us recognize this is a matter to be decided by the Government of Japan and by the Government of the People's Republic of China in which, either separately or jointly, it would not be proper for us to take a position.

Q. At the time General [John D.] Lavelle was carrying out unauthorized bombing raids over North Viet-Nam you were having private conversations with the North Vietnamese. Can you assess the impact of those unauthorized bombing raids on the conversations?

Dr. Kissinger: Of course, the North Viet-

namese would not know which raids were authorized and which were unauthorized. [Laughter.]

Secondly, as it happens, there were no private talks going on at the time between our side and the North Vietnamese. There were efforts to set them up, which foundered for a variety of reasons, including the presumed illness of Special Adviser Le Duc Tho. This particular issue has never figured in them, but there were no actual discussions, which, however, is not to defend unauthorized raids.

Q. Dr. Kissinger, in relation to the ransom issue and what you remarked about this morning, are you saying in effect that the White House is opposed to something like the Ribicoff amendment that would tie the ransom to the trade agreement?

Dr. Kissinger: I don't want to get into the particular legislative proposal that has been made in relation to this issue. When we have concluded a trade agreement, it will be put before the Congress and then there will be sufficient opportunity for congressional leaders to express their opinion. That will be the appropriate time for us to express our opinion.

Q. Henry, when do you anticipate the second round of SALT will begin?

Dr. Kissinger: We have not set a precise date for it yet, but I think it is reasonable to assume that it will be this calendar year.

Q. When do you expect the Soviet leaders to come over to the United States in reply to the invitation?

Dr. Kissinger: Again, no precise date for that has been set, but there were some general discussions. We expect it in the not indefinite future.

Q. Dr. Kissinger, did the Soviet leaders ask you to explain the administration's support of the Jackson amendment, and if they did, how did you explain it?

Dr. Kissinger: We discussed, in a general way, the conditions in which our relationships can be developed on a basis of mutual

confidence. I believe that when I left there was a mutual feeling that we had made considerable progress in that direction and that events that had happened in the interval, whether or not they were liked in every detail by both sides, had not stood in the way of a further development of Soviet-American relations.

The press: Thank you, Dr. Kissinger.

U.S.-U.S.S.R. JOINT STATEMENT

White House press release dated September 14

As previously agreed, Dr. Henry A. Kissinger, Assistant for National Security Affairs to the President of the United States of America, visited the Soviet Union from September 10 to September 14. During his visit to Moscow he had discussions with Leonid I. Brezhnev, General Secretary of the Central Committee of the CPSU, and Andrei A. Gromyko, Minister for Foreign Affairs of the Union of Soviet Socialist Republics.

There was a general review of the course of Soviet-American relations since the Summit meeting and of international problems of interest to the Soviet Union and the United States. The exchange of views was frank and constructive.

In the course of the discussion of major international issues, prominent attention was given to the problems relating to European security, and progress was made regarding the next steps to be taken.

There also was a discussion of issues connected with the resumption at an early date of negotiations on the limitation of strategic arms.

Implementation of the bilateral agreements reached at the Summit meeting was reviewed. It was agreed that there already have been substantial accomplishments and that further accomplishments can be anticipated.

Special attention was given to the status of commercial relations. Both sides reaffirmed the importance of these ties in strengthening mutual relations. Significant progress was made on several issues of principle in commercial relations between the two countries. It was agreed that in view of this progress, negotiations on a lend-lease settlement and on concluding a trade agreement would be continued in Washington in September with the aim of completing them in the near future. It was also agreed to conclude promptly the negotiations of the maritime agreement between the USSR and the USA.

Both sides reaffirmed the importance of continuing the practice of exchanging views on questions of mutual interest in various forms and at various levels, including the highest level.

160th Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Ambassador William J. Porter, head of the U.S. delegation, at the 160th plenary session of the meetings on Viet-Nam at Paris on September 21.

OPENING REMARKS

Press release 233 dated September 21

Ladies and gentlemen: Some interesting conclusions have arisen in the course of our analysis of your side's presentations at the plenary session last week and of the September 11 Viet Cong statement from which you quoted extensively. My purpose today is to acquaint you with these findings and to invite you to comment upon them, in whole or in part, as you deem appropriate.

Your own analysis of the situation, within the comprehensive solution you propose, classifies the problems to be resolved into the conventional division of military questions and political questions. In each field you have provided detailed prescriptions of actions to be undertaken so that you may obtain an overall settlement of the respective problems which you would consider satisfactory. After careful assessment of the factors you have listed as components of this plan for settlement, one is justified in making the following synthesis of it.

You envision settlement of the military aspect of the Viet-Nam conflict as wholly contingent upon observance of certain alleged responsibilities by the United States, and by us alone. You envision settlement of the political aspect of the conflict, on the other hand, as wholly contingent upon your unlimited acquisition and exercise of governmental authority.

This curious disparity between unshared responsibilities and unhampered prerogatives is clearly evidenced by the Viet Cong statement.

First, in the military field, the United

States alone receives mention, barring passing reference to the administration of President Thieu, which you require be deprived of American support. You have enumerated the steps which the United States must follow: cessation of all military activity, total withdrawal, dismantlement of bases, and so forth. The statement is completely mute, however, about the measures your side would undertake.

For example, you do not offer to cease hostilities, to withdraw the more than 12 regular divisions of the North Vietnamese army you have sent to the South, or to dismantle the base areas and stocks of war materiel you have covertly established. In short, you furnish no indication that you acknowledge a responsibility in assuring that neither a continuation nor a resumption of the warfare should occur—nothing, in short, to suggest that you intend to contribute anything toward achieving the “stable” peace which you claim to advocate.

Similarly, as Ambassador [Pham Dang] Lam has pointed out, in the political field, your formula for a so-called “tripartite government of national concord” fails by its own test of “logic and reasonableness.” Although your statement generalizes about “equality,” “mutual respect,” and “mutual nonelimination” among the proposed government’s three components, close analysis in the light of your doctrine and your activities makes the meaning of these words, as you use them, suspect.

As to “equality,” this is a strange term for you to use in view of the fact that your representivity has never been tested. Nevertheless, under your proposal the Viet Cong element would automatically enjoy decisive preponderance of authority if only because it need make no prior changes in its policies or internal organization.

As for “mutual respect,” let me point out only the strikingly disrespectful manner your side is accustomed to adopt in this forum toward the representative of the Government of the Republic of Viet-Nam. This is but one example, though a symbolic one, of your doctrinaire refusal to accept the

Government of the Republic of Viet-Nam as a legitimate entity. This attitude scarcely provides a reassuring precedent for the mutual respect the Viet Cong would avowedly manifest in the future. Nor have you helped your credibility by the steady stream of epithets which your propaganda directs against any Vietnamese, of whatever political or religious affiliation, who takes exception to your views.

As for “nonelimination,” it is surely through an internationally supervised ceasefire and not through your implausible and bland assurances that this objective will be made a reality for the South Vietnamese. A quarter century of ruthless Communist fratricide has made Vietnamese political leaders and impartial foreign observers pardonably skeptical about professions of coexistence. Would the Viet Cong, for example, cease attempts to assassinate local officials, to destroy habitations and public installations, to intimidate and silence non-Communist political leaders, or to conscript and propagandize the population? Or would what you define as “patriotic” activities continue at present or even higher levels of intensity? Your constant exhortations to your cadres to undertake offensive operations, refuse any reconciliation with those you identify as enemies, and spare no sacrifice for the total victory of the revolution do, you must admit, conflict rather sharply with the new theme of mutual nonelimination.

Your silence about your commitments in the military and political spheres is paralleled by your silence about the North Vietnamese army. That army, the world knows, is the instrument of aggression not only in South Viet-Nam but in the other countries of Indochina as well. It is the key to creating or destroying the confidence that must prevail if a permanent peace is to be achieved in South Viet-Nam.

Your current glorification of war and militarism warrants this concern. On September 10, the eve of the Viet Cong statement concerning equality, mutual respect, and nonelimination, the authoritative and official

Hanoi newspaper *Nhan Dan* published an article entitled "Determined to Win!" which poured high praise upon "factors for success" such as the following: "our numerous combat experiences, especially our experiences in the people's war, our high offensive spirit, our strong offensive stance, our powerful offensive strength, and our myriad offensive techniques." The conclusion of this article is a battle cry: "We are determined to win and will win complete victory." Can you explain what place North Viet-Nam's invading divisions, sworn to victory and imbued with the attack mystique, would have in relation to the Viet Cong proposals for military settlement?

The same series of *Nhan Dan* articles, incidentally, praises "the party's line, the way to apply the fundamental principles of Marxism-Leninism to the current situation in Viet-Nam," and boasts that by "closely linking national interests with those of the world revolution," North Viet-Nam is "contributing toward further changing the balance of forces in the world in a direction favorable for the revolution." These statements, so typical in substance and tone, place your talk about "nondomination" in a more realistic light. Completing this evidence that you implacably oppose the kind of balanced, representative government you profess to seek, *Nhan Dan* exhorts those who look to it for direction to pursue this goal, among others: "to consolidate our people's role as masters in an increasingly wider sphere under the flag of the National Liberation Front and Provisional Revolutionary Government."

Is this not tantamount to a repudiation of "mutual nonelimination"?

I have tried to show that the two "requirements" of the Viet Cong would, if achieved, lead neither to peace nor to self-determination for the South Vietnamese population. Instead, prolonged warfare and Communist dictatorship by the North would be the clearly predictable consequence.

At the last session you stated: "The question is not whether the United States under-

stands our presentation but whether the United States Government has good will in its negotiations."

It is not surprising that you should be reluctant to have us seek to understand your statements; for the more we analyze them, the more illogical, impractical, and self-contradictory they appear. By contrast, the need for an internationally supervised cease-fire throughout Indochina, and the subsequent resolution of political questions through discussions among the Vietnamese themselves, has become even more apparent than before.

ADDITIONAL REMARKS

Press release 233A dated September 21

Ladies and gentlemen: In your presentation today you allude to some of the questions we have posed concerning your "two requirements," but you make no direct response to the matters of substance we have raised.

You object that we have distorted your proposals, which are really of North Vietnamese origin, but you do not choose to specify how we have done so, and your continued silence on this score is itself eloquent testimony to your predicament.

Your approach to negotiations, as you present it here, can be quickly summarized: Accept our latest "requirements" at once, do not ask any questions or try to understand them, and let us be the sole judge of your "good will."

I realize that such an approach is consistent with your political doctrine that permits of no dissent or opposition, but it has little to do with serious negotiations and will only weaken your case further in the eyes of international opinion.

If you are serious in attributing the qualities of logic and reasonableness to your propositions, you still have a chance to indicate that by responding specifically to the points we have raised at this and the preceding session.

The Collective International Effort Against Drug Abuse

*Statement by Nelson Gross*¹

The President called for an accelerated attack on the international aspects of the drug abuse problem in his message to the Congress on June 17, 1971, when he stated:²

No serious attack on our national drug problem can ignore the international implications of such an effort, nor can the domestic effort succeed without attacking the problem on an international plane.

The President's call resulted in the formation of the Cabinet Committee on International Narcotics Control in September 1971. That Committee, chaired by the Secretary of State, William Rogers, provides for inter-agency coordination of an overall program to strengthen narcotics control from Cabinet level down throughout the executive branch. The State Department's role has been crystallized, and there has been a sharp increase in activity in all of its bureaus.

Not only was my office, that of Senior Adviser to the Secretary and Coordinator for International Narcotics Matters, created, but in addition narcotics control coordinators were designated for all of the Department's geographic and the pertinent functional bureaus. Each of the five geographic bureaus chairs an Interagency Narcotics Control Committee.

¹ Submitted to the Subcommittee on Internal Security of the Senate Committee on the Judiciary on Sept. 15. Mr. Gross is Senior Adviser to the Secretary and Coordinator for International Narcotics Matters. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

² BULLETIN of July 12, 1971, p. 58.

To complement the mobilizing of resources in Washington, narcotics control coordinators have been designated at virtually all foreign posts. The coordinators operate within the framework of a Country Team which utilizes the expertise of all appropriate agencies represented at the mission. For those countries having a current or potential involvement in the production, processing, or transiting of illicit hard drugs, narcotics control action plans have been developed. The Ambassador has been charged with the ultimate responsibility of developing, implementing, and monitoring the action plans, a responsibility placed upon him directly by the President. Pertinent excerpts of a Presidential letter sent in February to the Chiefs of Mission in 69 countries read as follows:

A successful fight against drug abuse will require the cooperation of all nations. For this reason I have made effective narcotics control a primary foreign policy objective of the United States.

The State Department's senior adviser and coordinator for international narcotics matters, Mr. Nelson Gross, and other administration officials have attempted to convey to foreign governments and to our overseas diplomatic missions the determination of the United States to take the necessary steps in cooperation with others to bring narcotics and other dangerous drugs under effective control.

These efforts are beginning to bear fruit. I am particularly gratified by the courageous decision of the Turkish Government to ban opium cultivation, by the results of Operation Cooperation in Mexico, and by recent successes in narcotics enforcement in Europe, Southeast Asia, and Latin America.

Still, much remains to be done. In many nations narcotics law enforcement is still in its infancy. Better narcotics intelligence is required almost everywhere.

Narcotics control action plans have now been drafted by 57 missions. The key to carrying out these plans effectively is to convince the leaders of countries where production and trafficking take place to commit their governments to attacking the narcotics problem with urgency and determination.

Your assistance will be critical in this effort. To begin with, we need your advice on how best to obtain the requisite political commitment from the government to which you are accredited. If you have not already given us your views, we shall appreciate receiving them promptly.

The efforts undertaken by our Chiefs of Mission within the structure of the Cabinet Committee apparatus have been unique. By elevating the subject of narcotics control to a top foreign policy issue, the President has enabled the Ambassadors to deal continuously with this problem at the very highest levels with foreign governments.

Charged as they have been, the Chiefs of Mission and all members of their Country Teams have performed with diligence and dedication. While no one can measure success in this field, some appreciable impact has already been felt, and I am certain that the effort expended thus far will produce favorable results in the succeeding months.

Clearly this effort led by the President has galvanized commitments from nations around the world as never before. Our missions overseas began to yield cooperative undertakings essential to a worldwide attack on illicit drugs. The United States made it clear that it could not do the job alone, and the critical necessity for drawing together cooperative programs for narcotics control became universally recognized.

It quickly became necessary for our government to help increase the capability of foreign governments to immobilize the traffickers and cut the supply of narcotics. The result was the development of the previously mentioned narcotics control action plans for key countries around the world. To seek the very best results, law enforcement survey teams have been sent to selected countries, regional conferences of narcotics coordinators have been held throughout the world, and there has been a simultaneous expansion of BNDD [Bureau of Narcotics and Danger-

ous Drugs] overseas activities, foreign customs cooperation and assistance, and establishment of CIA responsibility for narcotics intelligence coordination. The increased capability being promoted is in accordance with the Cabinet Committee priorities assigned to intelligence collection and enforcement activities abroad.

The attention drawn to this problem by our own officials, together with an increasing awareness of other governments of the danger of spreading drug abuse, has unquestionably led to more active international cooperation. The very fact that we have our own U.S. Government agents operating within the jurisdiction of foreign governments is a strong sign of cooperation. When looked at from that point of view, it can be recognized quickly that accepting our agents bespeaks firm and unswerving support.

This does not mean that we can expect resounding results overnight. We must acknowledge that in many cases we are dealing with unsophisticated equipment and untrained personnel. Surely if the United States cannot stop the trafficking at its own borders, we must understand that a developing country will have even greater difficulty in preventing itself from becoming a point of transit for narcotics. Yet the beginnings have been made, and the results have been significant.

There have been seizures of greater importance and with increasing regularity throughout the world. Arrests of important figures have been made. High-level traffickers have been extradited and put in prison. Five heroin laboratories in the Marseille area of France have been seized during 1972. The Turkish ban on opium cultivation has been implemented resolutely, though Turkish officials have had to face continuing criticism. Thus, measurable steps have been generated toward bilateral cooperation.

It would be useful at this point to discuss the situation as we now see it in the key countries in illicit production and/or trafficking. First, our two neighbors—Canada and Mexico.

Canada and Mexico

In a sense the drug abuse problem in Canada parallels that of the United States. Canadian statistics show significant increases over the past five years in the use of marihuana, hashish, and psychotropics. Of particular concern at the present time is an apparent substantial increase in the use of heroin in major cities; notably, Vancouver, Toronto, and Montreal. In March 1972 official Canadian sources estimated that there were 16,000 heroin addicts in Canada, approximately five times the 3,500 addicts estimated in 1966. Total arrests for drug offenses were about 14,000 in 1970 and exceeded 17,000 in 1971.

Montreal and Toronto are recognized as major transshipment points for drugs—particularly heroin—destined for the larger U.S. market. Canadian enforcement problems are therefore much greater and more difficult than the incidence of illicit use in the country would indicate. The use of Montreal and Toronto as entrepôts also illustrates the need for very close and forthright cooperation between U.S. and Canadian authorities.

As might be expected, there is close cooperation at all levels between interested Canadian and U.S. agencies. The Royal Canadian Mounted Police maintains a three-man staff attached to the Embassy to handle daily liaison in Washington. Similarly, there is a BNDD liaison office, to which an officer of the Bureau of Customs is attached, for liaison in Montreal. Additional BNDD liaison offices have recently been established in Toronto and Vancouver, and the Bureau of Customs has recently established an additional liaison office in Ottawa. Mention should also be made of the excellent working-level relationship between U.S. and Canadian officials at the border crossing points.

High-level cooperation between the two countries is also good. In September 1971 a U.S. group headed by BNDD Director [John E.] Ingersoll journeyed to Ottawa for a consultative meeting with a Canadian group headed by Dr. R. A. Chapman, Special Adviser to the Deputy Minister, Department of

National Health and Welfare. In October 1971 a tripartite meeting at the Deputy Attorney General level considered enforcement questions of possible joint interest to the United States, Canada, and Mexico. A tripartite meeting of Attorneys General was held at Mexico City in March 1972, at which time the three governments reaffirmed their commitment to cooperation in antidrug efforts. The United States and Mexico have accepted a Canadian invitation to another meeting at the Deputy Attorney General level in October 1972. Planning is now underway for increased U.S.-Canadian cooperation and coordination in drug research, including seminars to bring together leading researchers of the two countries. Canada has participated since November 1970 with the United States and France in periodic meetings of the drug law enforcement agencies of the three countries.

Canada worked closely with the United States at the United Nations conference to amend the Single Convention and was one of 71 nations voting to approve the amending protocol. Canada has contributed \$400,000 to the United Nations Fund for Drug Abuse Control, the largest contribution after that of the United States. Canada is an active member of the United Nations Commission on Narcotic Drugs.

Mexico is the source of nearly all the high-potency marihuana and about 10 percent of the heroin consumed in the United States. In addition, Mexico is increasingly being used as a transit country by international drug traffickers, particularly for heroin and cocaine. Interdiction of illicit narcotics traffic at the border can only control a portion of this traffic. Complementary efforts must be made to eradicate marihuana and opium poppy production at their source.

In October 1969 the friction created by Operation Intercept was converted into the harmonious and relatively successful Operation Cooperation. We are gratified that President Echeverría and other high Mexican Government officials are keenly aware of the narcotics problem and are expending

considerable human and material resources in a broad-scale program of cooperation with the United States in narcotics control. In its efforts to eradicate opium poppies and marihuana, the Mexican Government is using light planes and helicopters to spot growing areas. Army ground troops are dispatched to destroy the fields and apprehend illegal growers. As many as 12,000 soldiers may be employed in this manner at any given time. In addition, Mexican laws concerning drug abuse are considerably more severe than those in the United States, and a recent change in the agrarian code has made the illegal growing of marihuana or opium poppies an offense punishable by fine, imprisonment, or confiscation of the land involved. More recently still, Mexico has outlawed production of amphetamine drugs.

Several examples of cooperation can be cited. At the beginning of Operation Cooperation the United States made available to Mexico \$1 million to be used for materiel assistance in narcotics control. The money was used to purchase helicopters and light aircraft. Negotiations are nearly complete for an agreement which will provide an additional \$1.3 million package of materiel and training assistance, including helicopters, communications equipment, and weapons. BNDD and U.S. customs personnel stationed in Mexico cooperate routinely with Mexican narcotics authorities in the exchange of intelligence and in operations directed against the drug traffic; destruction of growing areas and seizures of heroin, cocaine, and marihuana are large and are increasing. In keeping with the agreement to maintain high-level consultations between the two countries, the Mexican and U.S. Attorneys General, their Deputies, and their staffs hold periodic narcotics talks alternately in Washington and Mexico City. Canada has now added her participation, making the consultations tripartite. Two such tripartite talks have been held, in October 1971 and in March 1972; we expect another meeting before the end of this year.

Panama

Because of her crossroads location, which provides ready access to a wide variety of air and sea transportation routes, and her tradition of permitting trade to move freely in and out of the country, Panama's role as a transshipment point for international narcotics smuggling has in recent years become a cause of increasing U.S. concern.

Two recent cases served to focus our attention on the need to help strengthen Panama's efforts in controlling drug traffic. One of these was the arrest in the Canal Zone of Joaquin Him Gonzalez, a Panamanian air traffic controller. He was subsequently charged with conspiring to smuggle heroin into the United States. A second case was the seizure of 180 pounds of heroin on July 8, 1971, when Rafael A. Richard, Jr., son of the Panamanian Ambassador to Taiwan, was arrested at JFK Airport in New York.

Factors which have tended to hamper Panamanian efforts to control the narcotics traffic are: (1) Panama has not been a victim country, and (2) an effective control and enforcement program would require a commitment of trained personnel and funds, both of which are scarce. The Panamanian Government has tended to give priority to its socioeconomic development programs in using its financial and administrative resources. The Panamanian Government has, however, stated that it wishes to cooperate with the United States in eliminating the flow of illicit drugs through Panama.

During the past year, the Department of State and the U.S. Embassy have sought to increase Panamanian cooperation and commitment to control the international narcotics flow. They have facilitated Panamanian acceptance of the assignment of BNDD and customs agents to work in Panama. When, because of a misunderstanding resulting from the publication in the U.S. press of allegations about Panamanian officials, the BNDD agents were expelled from Panama, the Embassy within a short time was able to

obtain Panamanian agreement to have them replaced.

Some specific examples of Panamanian activity can be cited. In October and November 1971 the Panamanian National Guard located and destroyed approximately 50 tons of marihuana in the Las Perlas Islands. About 75 percent of this would ordinarily have been destined for the U.S. market and would have had a street value of \$10 to \$15 million. The Government of Panama introduced a crop substitution program. According to eyewitness accounts by one of our own BNDD agents, very little marihuana is growing in the area this year. Rice is growing in its place. Panamanian customs officials have cooperated at Tocumen Airport, at times assisting U.S. agents in dismantling planes suspected of carrying narcotics. Panamanian officials have provided information concerning shipments of narcotics. Recently they broke up a narcotics smuggling ring, stopped a shipment of cocaine from entering the United States, and arrested the traffickers involved. During the past year, Panamanian authorities arrested a number of narcotics offenders in Panama and have returned a fugitive trafficker who had jumped bond in the United States. They have participated in several narcotics control training courses and have increased their understanding of the narcotics smuggling problem and Panama's role in it.

Paraguay

For many years the way of life in Paraguay has included smuggling of consumer goods. Smuggling of goods to Paraguay's neighboring countries has not been illegal. Supply and demand has been an important element in clandestine and illegal trafficking in consumer goods to and through Paraguay, and in this latter regard, Paraguay seems to have had a role similar to that of Andorra between Spain and France. As there has been a demand or "need" for narcotics by some members of the population in the

United States, apparently the operational pattern of clandestine trade in Paraguay has been put to use helping supply that unfortunate need.

Much of Paraguay's boundary areas with her neighbors are unprotected and unpoliced. Paraguay has developed into a transient place for heroin from Europe to the United States as well as for cocaine from South America, although drug abuse within Paraguay is apparently very small.

It seems to have been difficult for some officials of Paraguay to understand the importance of the effort of the United States to terminate illegal drug traffic into our country, although this situation is improving. A key step in obtaining this improvement was the recent departure of Auguste Ricord from Paraguay and his safe arrival in the United States to face trial for alleged drug trafficking offenses.

Based on my recent visit to Paraguay and personal discussions with President Stroessner, I am personally encouraged that we can expect an improved level of cooperation, understanding, and mutual assistance in the drug suppression effort. This could include suppression of the manufacture of drugs in Paraguay and elimination of the smuggling of drugs through that nation.

Paraguay has limited resources for combating drug traffic, although a new awareness of the need seems to be unfolding. The U.S. Government expects to be able to assist the Government of Paraguay in appropriate, practical, and useful ways related to Paraguay's ability to absorb and use such assistance efficiently. We also expect that improved legislation in the drug preparation and trafficking fields will be enacted in Paraguay.

France

Most of the heroin entering the United States in recent years has been processed from Turkish opium and morphine base in southern France, primarily around Marseille. The southern coastal town of Mar-

seille, which has long been a center of French underworld activity, is estimated to house within its environs as many as 12 heroin laboratories. Nothing more than portable rudimentary workshops, these laboratories process morphine base into high-grade heroin.

The French have expressed concern over their drug problem only in the last few years. Legal penalties were stiffened in late 1970, when the national legislature doubled the maximum penalty for trafficking to 20 years. In 1971 a strong publicity campaign was launched to educate and arouse the French public to the drug abuse problem. In August 1971 President Pompidou sent a letter to the heads of other members of the European Community proposing that the organization develop specific areas of cooperation in attacking the drug problem.

Furthermore, in the last several years France has substantially increased the money and manpower allocated to the drug problem. Since 1969 the number of agents assigned to narcotics duty has greatly increased. The fight against drug abuse is directed from a Central Narcotics Office in the Ministry of the Interior, but the Customs Service, which is part of the Ministry of Finance, has also been involved. In early 1972 the Customs Service was responsible for a large seizure of heroin cached on a shrimp trawler. In August 1971 Interior Minister Marcellin upgraded the leadership of the antidrug efforts by appointing François le Mouel to head the overall effort and Marcel Morin to oversee operations in Marseille. In the 10 years prior to the end of 1971 only three heroin laboratories had been uncovered. Thus far in 1972 five heroin laboratories have been shut down.

French-American cooperation against the illegal drug traffic is based on a number of agreements, the most important of which was signed in February 1971 between then-U.S. Attorney General Mitchell and French Interior Minister Marcellin. A number of agents from the Bureau of Narcotics and Dangerous Drugs are stationed in Paris and

Marseille, and the French Judiciary Police has stationed agents in New York City. A bilateral Intergovernmental Committee on Drug Control meets quarterly to review the cooperative arrangements and to seek improvements in the program.

West Germany

West Germany is neither a known producer nor processor of opiates, but is considered an important transit country and storage and staging area for hard drugs. The narcotics problem is compounded by the large number (over 2 million) of foreign workers in West Germany, many from the Middle East, who have acted as a conduit for illegal drug traffic. Because of the significant amounts of morphine bases and other opiates thought to be in the country, German officials are highly alert to the fact that a serious hard drug problem could develop relatively rapidly in Germany.

Reflecting growing public and official concern, the German Government (FRG) instituted in November 1970 a comprehensive "Action Program Against Drug Abuse." The program tightened legislative control over legal and illegal movements of narcotics, initiated an educational campaign on the effects of drug abuse, increased the institutional assistance available to addicts and users, and provided for enhanced international cooperation on the problem of combating the flow of illegal drugs across national boundaries.

An extensive series of U.S.-FRG consultation visits on narcotics matters has taken place at all levels of government. The BNDD staff in Germany has been expanded to five persons and offices opened in Munich, Bonn, and Frankfurt, and U.S. customs officers are scheduled assignment to Munich and Hamburg to work with German customs on narcotics matters. Liaison has been instituted between the FRG and U.S. Embassies in Turkey, Iran, Afghanistan, and elsewhere. The U.S. military forces, in cooperation with the FRG, have begun a wide-ranging attack on drug problems affecting our troops in

Germany. A joint U.S.-FRG Interministerial Task Force meets regularly on narcotics problems affecting the U.S. forces in Germany, and talks on military drug problems have also been instituted directly between the German Ministry of Defense and U.S. military officials.

In addition, a comprehensive bilateral program for further cooperation has been worked out and discussed at a high level with German officials. This program particularly focuses on cooperation with FRG narcotics enforcement officials and includes training and educational assistance, the sharing of narcotics technology and techniques, increased mutual informational exchanges on narcotics, coordination of narcotics-connected scientific research, and cooperation in social policy, international youth activities, and drug rehabilitation efforts.

Eastern Europe

Eastern Europe's importance in the international narcotics problem is primarily as a transit region for illegal opiates smuggled from Turkey to western Europe. Bulgaria and Yugoslavia are the main transit routes. Thus far only small quantities of illicit opiates are known to have been routed through Romania, Hungary, Poland, Czechoslovakia, or East Germany. Production of opium, which occurs in Bulgaria, Yugoslavia, and Hungary, is minor, although poppyseed is often an ingredient of East European pastries. There is no significant opiate addiction in the region, but the use of other dangerous drugs is growing.

Following a trip by the U.S. Commissioner of Customs to the various eastern European countries last December, we have been successful in developing on a bilateral basis cooperation in the field of narcotics with the various governments in the area. Customs and BNDD teams have visited Sofia, Belgrade, Bucharest, Budapest, and Prague. Appropriate officials from each of these countries have either visited or been invited

to visit the United States to tour facilities in this country concerned with enforcement and rehabilitation aspects of the narcotics problem.

The thrust of our efforts in the eastern European area has been to elicit whatever cooperation we can from these governments to deal with drug abuse on a multilateral basis, to devise ways for cooperating with them in their efforts to control the transit of drugs across their territories, to promote a full exchange of information on all aspects of the drug problem between ourselves and these governments, and to endorse the efforts of the Ambassadors and other Embassy personnel to insure continuing and effective cooperation in this area.

Turkey

Although Turkey is not one of the world's largest producers of opium, it is the second largest legal exporter and the most important supplier of the raw material from which illicit heroin is produced for the U.S. market. The principal source of illicit diversion appears to be the understatement of opium gum yields by some farmers in authorized poppy-growing Provinces. The amount siphoned off in this manner is sold to the illicit trafficking network. Most other major producers of opium have large numbers of domestic addicts to support. There is no significant consumption of opium in Turkey. Thus, the entire diversion is available to foreign buyers.

In an effort to improve control over opium poppy cultivation in order to eliminate the illicit traffic, Turkey has reduced the number of Provinces where poppy growing is legally permitted since 1967. As the number of Provinces has fallen, production of opium gum has also fallen, but not nearly as rapidly. Estimates of opium gum production in 1967 ranged from 240 to 350 tons; 1971 estimates ranged from 180 to 210 tons.

Events in 1971 introduced drastic changes in Turkish opium production. By law the Turkish Government must announce poppy

cultivation decisions one year in advance of their implementation. The June 30, 1971, decree confirmed four Provinces for cultivation during the 1971-72 growing season but announced that a total ban would apply thereafter. This decree was the strongest and most direct action legally possible for the Turkish Government to take.

Prior to the decree, the government had initiated a number of measures in the spring of 1971 to improve the collection of opium gum. These included a 66 percent increase in the price government purchasers paid for the gum, an increase in the number of collection points in the seven poppy-growing Provinces, cash payments when farmers turn in the gum, and the initiation of a vigorous radio and press campaign publicizing these benefits and the penalties for non-compliance. It is estimated that these measures substantially reduced the proportion of gum flowing into illicit channels.

In August 1971 the Turkish Parliament enacted a licensing law which further strengthens the government's authority over the growing process. The law provides an improved basis for licensing, controlling, and collecting the final crop and includes stiffer penalties for those who fail to comply. In late 1971 licenses were issued to any farmer in the four authorized Provinces who completed an application. Information on the license must include the location of the farm, the number of hectares to be planted, the amount of opium to be produced, and a simple sketch of the opium field. The transfer of licenses is prohibited, and licenses may not be issued to persons convicted of smuggling or other crimes.

In support of the opium ban, the United States pledged \$35 million, which is in concept divided into two parts: (a) \$20 million is intended as a financial resource for programs and projects which could in a reasonable period of time produce new sources of income for the poppy farmer and the region in which he lives; and (b) \$15 million spread over three to four years to the Government of Turkey will help replace losses in foreign

exchange the government would incur as a consequence of no longer being able to market its legitimate opium and related poppy product exports.

With American technical advice and assistance, Turkey has designed a special regional authority for central areas affected by the poppy ban which will put developmental funds to work on selected activities, most of which are outlined in a joint report prepared in October and November 1971 by a U.S.-Turkish team. The U.S. team was led by former Secretary of Agriculture Clifford Hardin. During the spring of 1972 Turkey established a regulatory and legislative base for this new regional development organization and made appointments to its key positions, hoping to utilize this operation as a model for agricultural development perhaps applicable to other areas of Turkey as well.

The opium poppy ban is subject to argument and challenge from a number of sources in Turkey. Some maintain that Turkey should not accept the economic loss without the commitment of massive compensatory assistance. Clearly, farmers are concerned over the uncertainty involved in changing a centuries-old practice and wonder what will replace the opium gum and other byproducts to provide them cash and the products they consume for their own use. The permanency of the ban will depend in large measure on the development of new sources of income to make up these losses.

There will still be a need for vigorous law enforcement against smugglers if the flow of illegal opium is to be slowed after 1972 when production is banned. This is true because of the likelihood that illegal stocks of opium and morphine base may be stored in Turkey. In the mid or late 1960's, Turkish traffickers began to convert opium to morphine base before smuggling it out of the country. A large network exists in Turkey to collect and, in some cases, process and smuggle the opium out of the country. These activities can be expected to continue until opium is no longer available in Turkey.

Afghanistan

Opium production in Afghanistan—all illicit—is estimated at about 100 tons in 1971. Output could be higher than this; there is a lack of solid information on production in Afghanistan. Kabul is a signatory to the 1961 Single Convention, and production and trafficking are proscribed by domestic statute. However, the Royal Government of Afghanistan (RGA) is simply unable to provide adequate enforcement. There is no licit production of opium derivatives in Afghanistan nor any indication of illicit processing into morphine or heroin.

The RGA in recent months has indicated a willingness to cooperate with other nations on the opium problem. Two ministerial-level committees were set up in January 1972 to formulate narcotics control programs. The first committee is charged with supervising social and economic aspects of narcotics control (including cultivation and crop substitution), while the second committee is responsible for combating illicit traffic and strengthening the police and gendarmerie by upgrading equipment and tightening customs controls. These committees also will provide liaison with foreign governments and advisers on specific control programs.

The Government of Afghanistan is now preparing for visits by a joint UNFDAC/FAO [United Nations Fund for Drug Abuse Control; Food and Agriculture Organization] team for a three-week study tour beginning September 18 and the special mission of the members of the Commission on Narcotic Drugs Ad Hoc Committee on Illicit Traffic in the Near and Middle East in early October. Staff members from the Division for Narcotic Drugs will participate in both visits. The Government of Afghanistan has decided to detail several qualified officials to the study tour and is delaying completion of the reports of its two Cabinet committees on narcotics until the results of the visits are known. The International Narcotics Control Board is also planning a visit to Kabul; the Government of Afghanistan has reportedly agreed to a January schedule for this visit.

Afghanistan faces economic and political constraints in instituting an effective narcotics control or eradication program. In some areas opium provides practically the only cash income to the farmer. There is no substitute crop, except for hashish, that can be grown under existing agricultural conditions and provide anywhere near an equal income. If cash subsidies are required to induce farmers to cease illicit poppy cultivation, the RGA would expect funding for such a program to come from outside sources, given Afghanistan's slim resources. For Afghanistan narcotics control has not had a high priority because addiction is not a domestic problem. Furthermore, the droughts of 1970 and 1971 strained Afghanistan's financial and manpower resources.

The following steps have been taken by the American Embassy in Kabul to secure Afghan cooperation in narcotics control:

- Assignment of BNDD agent to the Embassy.

- Organization of regular meeting of Ambassadors of concerned countries to coordinate approaches to RGA.

- Suggestion of U.S. willingness to provide technical assistance for enforcement and crop substitution projects if desired by RGA.

- Continuing diplomatic contact with RGA officials at all levels.

The major difficulties in Afghanistan have been the preoccupation of the government with an unprecedented drought and the human, economic, and political consequences of the drought. Hopefully, now that the drought seems over, senior Afghan officials will be able to devote their attention to this problem. A major continuing problem will be the limited capability of enforcement agencies in Afghanistan.

Clearly we need more information about the location, amount, and profitability of opium poppy production in Afghanistan and how it moves out of the country. We shall continue our efforts to convince the Government of Afghanistan of the seriousness of the problem and the importance of well-coordinated international action to overcome it.

Pakistan

Annual opium production in Pakistan is probably at least 32 tons, but may be 170 tons or more. Estimates of total output are extremely tenuous because of the dearth of information on illicit output. Licit opium production in 1971, as reported by Islamabad to the United Nations, was only about 12 tons. Opium poppy cultivation takes place in the Northwest Frontier Province, with much illicit cultivation in tribal areas outside of the government's control. Pakistan does not export licit opium; a small amount is used in the domestic pharmaceutical industry, but most is consumed by domestic opium eaters. Most illicit output, on the other hand, probably enters the illicit international market and is sold in Iran.

The major current problem in Pakistan is that the country was divided by the warfare in December 1971 and must reconstruct itself in the aftermath. The major continuing problem will be the lack of administrative and police control over tribal territories along the western border and, perhaps even more perplexing, the former princely states of Swat, Dir, Chitral, and Amb which are being transferred from tribal to settled administration, a process which will take years to complete.

Before an effective control effort can move very fast, more information about the location, amount, and profitability of opium poppy production in Pakistan will be needed, especially concerning the tribal areas and the former princely states. The Embassy has requested a great deal of additional information from the Government of Pakistan (GOP), and it is believed that much of it is being prepared now.

The United States Government has taken the following steps to encourage the Government of Pakistan to improve its control of narcotics production and trade:

—President Nixon sent a letter to President Bhutto urging full GOP cooperation in the international control effort. President Bhutto has replied promising full cooperation.

—I have visited Pakistan for a full round of talks with GOP leaders.

—Both before and since the above, the Embassy in Islamabad undertook diplomatic approaches in several ministries and at various levels within the GOP.

—We have offered assistance to the GOP in studying the problem and in providing both technical assistance and equipment.

—In the most preliminary stages are GOP plans to create a Narcotics Intelligence Bureau under the authority of the Narcotics Board and to possibly shift responsibility for narcotics control from the provinces to the central authority.

Southeast Asia

The drug trafficking problem in Southeast Asia has been very much in the news during recent months. We have been gratified to see that the press has begun to take cognizance of the efforts our government, in cooperation with the governments of the area, has taken during the past year to head off the supply of Southeast Asian heroin to the United States.

Let me assure you that favorable reports do not stimulate a sense of complacency on our part. We are taking the threat of Southeast Asia's potential as a major source of heroin for the U.S. market very seriously. For this very reason we have bilateral narcotics control action plans operating in 10 Asian nations. At the same time, we have serious problems, particularly in Burma, where the majority of illicit opium produced in the so-called "golden triangle" is grown. I shall review some of the problem areas.

Burma

While considerable progress has been made in antinarcotics suppression in most of Southeast Asia in recent months, the intractable situation in northeastern Burma remains. Although Burma is the largest producer of opium in the "golden triangle," most of the illicit opium is grown and transported through remote, mountainous areas where the Burmese Government has little or no

control. Numerous insurgent groups, both Communist and tribal, have created serious internal security problems for the thinly spread Burmese military forces. Insurgency and illicit narcotics are closely related because opium provides the means for various groups to purchase arms and supplies.

In order to maintain what little control it presently has in the area, the Burmese Government has had to rely upon local factions, primarily an ethnic self-defense militia known as the Khakweyei (KKY). Unable to provide adequate equipment, arms, and supplies to KKY units allied with it, the Burmese Government has been forced to give the KKY local autonomy so as to support themselves. This the KKY forces do through traditional means, such as illegal taxation, extortion, and most importantly, trafficking in opium. Government attempts to suppress narcotics production and trafficking must be weighed against the risk of alienating the KKY, who could readily join the insurgents in opposing the government. This would deny even larger areas to the Burmese authorities without hindering KKY opium trading activities.

Unfortunately, the Burmese are unwilling to modify their rigid policy of nonalignment and neutrality and decline to accept international assistance in combating their narcotics problem. Still, despite their wariness of foreign designs and their preference to resolve the problem themselves, Burmese officials have recently been more willing to exchange views on the international drug situation with the United States and international agencies. Moreover, recent discussions between Burmese and U.N. officials offer some hope of United Nations anti-narcotics activity in Burma. As long as Burma's internal security is threatened, however, the Burmese Government will undoubtedly continue to assign highest priority to its counterinsurgency efforts.

Laos

Recent narcotics control actions in Laos have been concentrated on staffing the

Groupe Speciale d'Investigation, or GSI, the Lao equivalent of the BNDD, and expanding its operations to key areas of the trafficking pipeline. GSI was created by a Cabinet decree on January 12, 1972. By mid-August, small but skilled GSI teams were stationed in Ban Houei Sai, Luang Prabang, and Pakse, as well as in Vientiane.

On March 11 a GSI team seized 10.7 kilos of opium from a civilian passenger on a Royal Lao Air Force plane. On March 17 and 25, another GSI team located the sites of two abandoned heroin refineries near Ban Houei Sai and seized a large amount of refinery chemicals and equipment hidden in the jungle. Perhaps the most significant action by GSI agents occurred on June 6 when the home of a National Assembly Deputy was raided and 9.5 kilos of heroin and 26 kilos of opium were seized. The Deputy was arrested. This action already demonstrated that the Royal Lao Government (RLG) is prepared to move against traffickers, even though they may occupy positions of influence.

We believe that the success of our narcotics control plan in Laos is due in large part to the power and broad jurisdiction given to GSI by Prime Minister Souvanna Phouma. Its chief, Brig. Gen. Khamhou Boussarath, reports directly to the Prime Minister. GSI agents are authorized to investigate and arrest both civilians and military personnel. If necessary, Brig. Gen. Khamhou can supplement his teams with personnel from the national police, customs, or armed forces.

Advisers from our mission in Vientiane continue to work closely with their counterparts in GSI, the national police, customs, and the military police, as they have since early last year. Two private American charter airlines under contract to the mission, Air America and Continental Air Services, are also cooperating with Lao authorities to prevent trafficking on their aircraft. During the first six months of this year, stringent searches of passengers and cargo resulted in 35 seizures totaling 22 kilos of opium. This is not a large amount, but we believe

that, like the overall program, the companies' interdiction effort has had a deterrent effect on trafficking which is not entirely reflected by the total amount of narcotics seized.

During this same period of time, significant progress was made in another facet of the central program which so far has not received much attention here: addict rehabilitation. We know from our own experience that an important factor in narcotics control is demand. The RLG faces the same problem, which is compounded by the fact that opium consumption and cultivation has been tolerated by Lao society for generations. There have been recent news reports of criticism by National Assembly Deputies that the narcotics control plan concentrates on law enforcement without regard to rehabilitation of Lao addicts whose supply of opium has been suddenly stopped or for small farmers whose only cash crop traditionally has been opium. A group of opposition Deputies has proposed repeal of the Lao narcotics control law on these grounds.

While it is true the control plan emphasizes law enforcement, we have also been working with the Ministries of Public Health and Agriculture on other programs. We are assisting with a pilot rehabilitation project in the Vientiane area where heroin addiction is increasing. We shall also attempt to apply crop substitution programs, like those developed among opium growers in northern Thailand, to government-controlled areas when the security situation permits. We anticipate that these measures will assist Prime Minister Souvanna Phouma now in answering critics of the program and form a long-term basis for the program's more rapidly expanding law enforcement elements.

Thailand

In recent months, intensified Thai anti-narcotics efforts, with U.S. support and assistance, have contributed significantly to discouraging narcotics trafficking in Thailand. Still, much needs to be done.

We feel that the foundations that have

been laid during the past year are serving to give the Thai an increasingly effective narcotics enforcement program. The Special Narcotics Organization (SNO), a mobile task force in northern Thailand, and the police in Bangkok have in recent months conducted numerous raids on suspected narcotics caches. There have been significant seizures of opium, morphine, and heroin and the arrest of several important traffickers. Close working relations and cooperation have been established between Thai and U.S. officials, thereby facilitating stronger efforts against the drug traffic destined for the United States. A seizure on September 10 of 12 kilos of No. 4 heroin and arrests of two Thai traffickers by Thai police in Bangkok is a good example. Cooperation in that case involved many agencies of both the Thai and U.S. Governments and augurs well for the future of our narcotics efforts in Thailand.

The success of our bilateral programs has caused disruption of established smuggling routes and made traffickers more cautious. This increased pressure on the drug merchants has forced many of them to postpone purchases and shipments of narcotics, resulting in a significant reduction in the price of opium and derivative products in the "golden triangle." Moreover, the recent agreement between the Royal Thai Government (RTG) and the Chinese Irregular Forces (CIF), under which the latter agreed to terminate their involvement in narcotics, appears to have removed a key link in the drug pipeline and to have forced the traffickers to seek alternate routes and personnel.

The enforcement successes scored by SNO and other Thai police units underline the necessity of providing substitute crops for hill tribe opium producers. With the drop in opium prices and a sluggish market, hill tribesmen are being deprived of their major cash income. While SNO enforcement measures are not directed at the grower as much as the trafficker, curtailment of the traffic affects the hill tribes directly. It is therefore essential that programs designed to

show them how to grow substitute cash crops be accelerated. Economic necessity will, hopefully, encourage hill tribe receptivity to alternate crops, as well as RTG and private addict rehabilitation efforts. A joint Thai Government-United Nations project has been designed to begin what eventually must be an economic and social "revolution" in the upland areas of Thailand. By continuing to apply pressure against the traffickers while offering the growers substitute income, the narcotics problem thus is being attacked on both fronts.

Hong Kong

Several actions taken by the Hong Kong Government in recent months reflect its continuing and increasing concern over the international drug problem. One significant step taken in June was the creation of a new position of Commissioner of Narcotics. The Commissioner serves under the Secretary for Home Affairs and is responsible for coordinating police, customs, prison, and medical programs concerned with narcotics. Thus, for the first time, Hong Kong has a senior official who devotes full time to coordinating efforts in the narcotics field.

The new Commissioner, Norman Rolph, formerly Deputy Commissioner of Police, has recently made it clear that the Hong Kong Government intends to cooperate fully in the suppression of any international narcotics trafficking that involves Hong Kong. On August 31 Commissioner Rolph said in a statement to the press:

There has undoubtedly been a small traffic of narcotics from Hong Kong to America over the years, and if the Turkish sources dry up, the illegal traffic through Hong Kong could expand. It is our business to see, as far as we possibly can, that this does not develop. It concerns the Americans and it concerns ourselves. We are going to have to watch this possibility and we are going to do something about it.

On the enforcement side, Hong Kong authorities have scored some notable successes in 1972. For instance, one drug seizure in June involved 1,775 pounds of raw opium and 180 pounds of morphine base found on a car-

go junk. In April of this year, after months of investigation, Hong Kong Police raided and closed down what was believed to be one of the biggest heroin factories ever found in Hong Kong.

Cambodia and Viet-Nam

Cambodia and Viet-Nam, although faced with serious threats to their security, are nevertheless engaged in the war on drugs. Early in 1972 the Khmer Republic established a Directorate of Narcotics composed of officers drawn from customs, public health, national police, military police, and Ministry of Defense. In Viet-Nam on August 12 President Thieu promulgated a decree law on narcotics and dangerous drugs. In what was a most significant step, the law calls for the execution of the death penalty for those persons convicted of trafficking in hard drugs in an organized narcotics ring.

The Task Ahead

Additional information on geographic regions and individual countries is contained in the "World Opium Survey 1972," released by the Cabinet Committee on August 16. The survey is a frank and candid analysis of the problem as it now stands. Because it is candid, it should not be assumed that we are pessimistic. One of the requirements of managing an on-going program is an ability to manage successes and failures. Ours is not a program that will bring immediate relief from the horrendous problem, nor is it doomed to failure. Our program is one in which a substantial beginning has been achieved, one in which an appreciable impact has been made. If the momentum is sustained, we can look forward to continued sizable results. Some recent successes can be cited: In the New York City area, the Bureau of Narcotics and Dangerous Drugs reports that at the wholesale level the purity of heroin has been reduced in the last six months to a year from 51 percent to 32 percent. At the retail level—that is, on the street—quality is as low as 2 and 3 percent.

That is considerably less than it was a year ago. These figures are based on analyses of the significant amounts of heroin that have been seized by law enforcement agents and by purchases by undercover agents.

As other examples, in Boston the cost of one gram of heroin jumped in recent months from \$418 to \$785. In Baltimore the pressure on supply has forced prices up from \$10 to \$15 a bag, and that bag is of lessened quality, the amount of pure heroin decreasing from 6 percent to 4 percent, and in some cases as low as 1 percent.

I should stress that the approach of a successful program cannot relate to supply alone. Nor is an attack on the demand side alone the answer. Rather a combined program is called for. The objective is to interdict supply to the degree that availabilities are sharply reduced. The shortage of drugs will then tend to drive addicts into treatment, as well as prevent them from addicting others who might be tempted to experiment with the drug. There are strong indications that progress is being made. According to the Special Action Office for Drug Abuse Prevention, there are 60,000 to 70,000 persons being treated in some 450 federally regulated methadone programs throughout the country with an estimated 30,000 on waiting lists. Compared with a year ago, this constitutes a sharp rise in both treatment centers and patients.

We have confronted the problem of drug abuse unhesitatingly and without illusions. A full year of work has taken place within the framework of the Cabinet Committee, and we plan to accelerate our efforts a good deal more. The stepping-off point will begin next Monday, September 18, the first day of a three-day Washington Conference on International Narcotics Matters, a conference to which we have summoned senior narcotics control coordinators from more than 50 U.S. missions around the world. The President will address the conference on the first morning, and a series of meetings will be held for three days to push our pro-

gram into higher gear. We shall evaluate the progress to date and consider what must be done to improve our program.

Our goal is obviously urgent, but we must be certain that our plans of attack are realistic and responsible. In the forthcoming conference we shall reemphasize the importance of narcotics control as a foreign policy issue. More effective law enforcement and an increased exchange of information will continue as the top priority items in the U.S. international control program. At the same time we shall continue to recognize that there must be a balance between programs to suppress traffic and other approaches, such as the development of replacement crops for opium. In other words, our plans must be comprehensive.

Every possible resource for making international narcotics control more effective must be utilized. Every viable forum for focusing attention on the problem must be sought. National commitments are, of course, essential. Toward this end bilateral cooperation will sometimes be the most expeditious means of proceeding. But regional cooperation will also be sought, and in some cases the all-encompassing structure of the United Nations will be the most effective.

The past year has, in fact, been marked by considerable activity in the field of multilateral action against narcotics traffic. Two major pieces of international narcotics legislation, the protocol amending the 1961 Single Convention on Narcotic Drugs and the Convention on Psychotropic Substances, are presently before the U.S. Senate and the appropriate bodies of other nations for ratification. These conventions would rationalize and strengthen international regulation of narcotics traffic and provide for the first international control of such substances as hallucinogens and amphetamines.

The United States is also giving its full support to the work of the U.N. Fund for Drug Abuse Control, having provided \$2 million of the \$3.2 million pledged as of June 30, 1972. We have congressional authorization

another \$2 million and will seek additional appropriations in the future depending upon the Fund's performance. We find particularly important the Fund's first major project in Thailand where more than a million has been committed to an action program of drug abuse control involving opium substitution in the remote hill areas of that country and rehabilitation and treatment of addicts. Aside from Southeast Asia, the Middle East is another critical area for narcotics production and traffic. The forthcoming visit of a U.N. ad hoc committee to Turkey, Afghanistan, Iran, and Pakistan would be very valuable in identifying narcotics problems and encouraging regional cooperation in solving them. The United States believes that the Ad Hoc Committee on Illicit Traffic in the Near and Middle East should be converted into a permanent body, and we expect to encourage ECOSOC [Economic and Social Council] to do this at its next session.

I conclude by stating that while the problem of drug abuse is critical for the United States, heroin addiction and other forms of abuse are spreading elsewhere in this hemisphere, in Europe, and in other parts of the world. It is fully appreciated by most of the nations with which we are cooperating that a truly collective effort against both the supply of and demand for illicit drugs and narcotics will be required to bring the problem of drug abuse under control.

President Nixon stated the case on March 1, 1972, as follows:

The fight against drug abuse is complex and difficult, but there are signs that we are making progress. More victims are under treatment than ever before. More and better ways of treatment are becoming increasingly available. More illegal drugs are being seized—both within this country and without. More nations around the world are joining with us in a vigorous effort to stop drug trafficking. More Americans are becoming involved in the fight in their communities, their churches, their schools, and their homes.

Now we must continue to build on this progress until success is assured.

The President's message is clear. A full-

scale, across-the-board battle against drug abuse is required if we are to succeed in the elimination of a tragic epidemic. Toward this end, we in the Department of State shall continue to strive.

U.S. and Canada Agree To Enhance Water Quality in St. John River Basin

*Department Announcement*¹

Fitzhugh Green, Associate Administrator of the U.S. Environmental Protection Agency, and L. E. Edgeworth, Assistant Deputy Minister, Water Management, of Canada's Department of the Environment, announced on September 21 that the United States and Canadian Governments have agreed on joint measures to cooperate in water quality planning and to recommend programs to enhance water quality in the St. John River and its tributaries along the international boundary between the State of Maine and the Provinces of New Brunswick and Quebec. The agreement was announced at an international symposium at Fish River Lake, Maine, attended by members of the Inland Water Pollution Project of the North Atlantic Treaty Organization Committee on the Challenges of Modern Society. Delegates from six alliance countries at the symposium are considering international institutional arrangements to deal with transboundary water pollution.

The two governments have established through an exchange of notes a U.S.-Canada Committee on Water Quality in the St. John River and its international tributaries. Composed of representatives of Federal, State, Provincial, and local governmental agencies, the Joint Committee will review progress in conducting water quality planning in the St.

¹ Issued at Washington on Sept. 21 (press release 232). An announcement was also issued at Ottawa that day.

John River Basin in both countries. It will also exchange information on plans, programs, and actions which would affect water quality in the basin; assist in coordination and consultation among appropriate authorities; and make recommendations to the appropriate jurisdictions on water quality in the basin.

In addition, the two governments have requested, by letter of reference, the cooperation of the International Joint Commission (U.S.-Canada) in addressing pollution problems of the St. John River. The Commission is being asked to review the work of the new U.S.-Canada Committee and recommend to the U.S. and Canadian Governments measures the two countries should take to protect and enhance water quality in the river system.

This is a further step in U.S.-Canadian efforts to control pollution along the U.S.-Canadian border, since it establishes a planning committee to prevent pollution from occurring or increasing. Most of the existing joint arrangements between the United States and Canada on this subject seek to enhance water quality in the boundary waters by monitoring or surveying the waters after a pollution problem is identified. The International Joint Commission was established by the Boundary Waters Treaty of 1909 for this purpose; an important example of the work it is asked to perform can be noted in the Great Lakes Water Quality Agreement, which was signed by President Nixon and Prime Minister Trudeau on April 15.

Emphasizing local participation, membership in the new U.S.-Canada Committee will consist of representatives from the U.S. and Canadian Federal Governments, the governments of Maine, New Brunswick, and Quebec, and officials of the Northern Maine Regional Planning Commission and the St. John River Planning Board.

NATO's Committee on the Challenges of Modern Society was created in 1969 to add a new dimension to the alliance's activities. It has undertaken a number of other collaborative environmental projects. Officials from

Belgium, Canada, France, Germany, the United Kingdom, and the United States are participating in the symposium at Fish River Lake. The U.S.-Canadian action is timely for the NATO symposium which is considering alternative institutional arrangements for dealing with water pollution between countries. The NATO group is expected to make recommendations on various international approaches for solving pollution problems in shared water resources, and it is using the St. John River project as a case study. The new U.S.-Canadian arrangements will demonstrate the effect of one such approach to transboundary pollution, and will be evaluated by various nations within the framework of the NATO project. Canada is the pilot country for the project; and Belgium, France, and the United States are acting as co-pilot nations. The French role in the project is concerned with indirect economic controls on inland water pollution. Belgium is studying mathematic modeling as applied to river basin pollution.

U.S. Participation in the U.N. During 1971

Following is the text of a message from President Nixon dated September 8 transmitting to the Congress the annual report of U.S. participation in the United Nations for the calendar year 1971.¹

To the Congress of the United States:

It is a pleasure to transmit to the Congress the 26th annual report on United States participation in the work of the United Nations. This report covers the calendar year 1971.

During the period under review there were many developments within the UN framework of importance to the United States and to other member states. Some of these even

¹"U.S. Participation in the UN: Report by the President to the Congress for the Year 1971"; Department of State publication 8675, for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (238 pp., \$1.

were favorable; others were not. Among the former:

—The General Assembly decided to seat the representatives of the Peoples Republic of China, and this was followed by corresponding action in the Security Council.

—The United Nations established a Fund for Drug Abuse Control that will finance a concerted worldwide action program to assist member states in reducing both the demand for and the supply of dangerous drugs.

—At a plenipotentiary conference in Vienna sponsored by the United Nations, a Convention on Psychotropic Substances was adopted, designed to curb the misuse of such substances as the hallucinogens, amphetamines, barbiturates, and tranquilizers.

—The 26th General Assembly endorsed two treaties, both sponsored by the United States, and expressed its hope for the widest possible adherence to them. The first was the Convention on International Liability for Damage Caused by Space Objects; the second was the Convention on the Prohibition of Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

—In December the United Nations elected a new Secretary General, Ambassador Kurt Waldheim of Austria.

—At an international conference in Montreal sponsored by the International Civil Aviation Organization, a Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation was adopted.

—The UN Economic and Social Council was strengthened by the Assembly's decision to adopt and submit to member states for ratification an amendment to the Charter that will double the Council's membership to 54, thereby making it a more representative body. In addition the Council created two new standing committees, one concerned with review and appraisal of the progress toward the goals of the Second UN Development Decade, and the other concerned with problems of science and technology.

—The United Nations created the position of Disaster Relief Coordinator within the

UN Secretariat to assist countries stricken by disasters.

In addition to these favorable developments there were others that were disappointing.

—The Republic of China, a member in good standing for many years, was deprived of representation by the same resolution that gave representation to the Peoples Republic of China. This action was extremely regrettable and was strongly opposed by the United States.

—Despite determined efforts by the United States and others, the war between India and Pakistan demonstrated again the severe limitations on the organization's ability to carry out its primary function, the maintenance of international peace and security.

—No progress was made toward resolving the differences among UN members on the organization and conduct of peace-keeping missions.

—The General Assembly's effort to rationalize its organization and procedures fell far short of our hopes.

—The United Nations made no great progress toward resolving its difficult financial problems.

During 1971 the United States Government announced its intention to negotiate a reduction in the rate of its UN assessment to a level no higher than 25 percent. This decision is in line with a recommendation by the Commission for the Observance of the 25th Anniversary of the United Nations, chaired by Ambassador Henry Cabot Lodge, and is consonant with our belief that an organization of almost universal membership should not be overly dependent upon a single member for its financial support.

This proposed reduction in our rate of assessment does not affect our voluntary contributions to various UN programs. Indeed, the Lodge Commission recommended increases of at least corresponding size in voluntary contributions whose size depends on each nation's judgment of its own interests and capabilities.

These and many other topics are covered in the report. I commend to the Congress this record of our participation in the United Nations during 1971.

RICHARD NIXON.

THE WHITE HOUSE, *September 8, 1972.*

Convention on Aviation Sabotage Transmitted to the Senate

*Message From President Nixon*¹

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a copy of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, signed at Montreal on September 23, 1971. The report of the Department of State with respect to the Convention is also transmitted for the information of the Senate.

The problem of sabotage, armed terrorist attacks, and other criminal acts against aircraft and air travelers poses an increasingly grave threat to civil aviation around the world. Events have shown that no country or area is exempt from the human tragedy and immense costs which result from such criminal acts.

At the International Conference on Air Law at The Hague in December of 1970, the Hijacking Convention was adopted. It contains provisions to ensure that all hijackers, wherever found, would be subject to severe punishment. The United States and 39 other countries have now ratified that Convention. It is hoped that all States

will join in this major step to deter the peril of air piracy.

The work of applying similar provisions to other acts directed against the safety of civil aviation was completed by the Diplomatic Conference at Montreal in September 1971. The Convention which that Conference produced and which I am transmitting today covers sabotage and other criminal acts. Like the Hijacking Convention, it requires States to extradite offenders or prosecute them where they are found. It is designed to ensure the prosecution of saboteurs and other terrorists who attack aircraft, and it can help serve to quell this increasingly serious problem for civil aviation worldwide.

This Convention and the Hijacking Convention are vitally important to achieve safe and orderly air transportation for all people of the world. I hope all States will become Parties to these Conventions, and that they will be applied universally. I recommend, therefore, that the Senate give early and favorable consideration to this Convention.

RICHARD NIXON.

THE WHITE HOUSE, *September 15, 1972.*

U.S. Alternate Governor of IMF and International Banks Confirmed

The Senate on September 21 confirmed the nomination of John N. Irwin II to be U.S. Alternate Governor of the International Monetary Fund for a term of five years and U.S. Alternate Governor of the International Bank for Reconstruction and Development for a term of five years; U.S. Alternate Governor of the Inter-American Development Bank for a term of five years and until his successor has been appointed; and U.S. Alternate Governor of the Asian Development Bank.

¹ Transmitted on Sept. 15 (White House press release); also printed as S. Ex. T., 92d Cong., 2d sess., which includes the text of the report of the Department of State. For text of the convention, see BULLETIN of Oct. 25, 1971, p. 465.

Calendar of International Conferences¹

Scheduled October Through December

CCC Permanent Technical Committee	Brussels	Oct. 2-6
WIPO Patent Cooperation Treaty Interim Committees and PCT Finance Working Group.	Geneva	Oct. 2-6
PAHO Special Meeting of Ministers of Health of the Americas	Santiago	Oct. 2-9
Hague Conference on Private International Law: 12th Session .	The Hague	Oct. 2-21
OECD Committee on Restrictive Business Practices, Working Party VII.	Paris	Oct. 3-4
Inter-American Tropical Tuna Commission	Panamá	Oct. 3-6
GATT Committee on Budget, Finance and Administration . .	Geneva	Oct. 3-13
UNCTAD Trade and Development Board: 12th Meeting . . .	Geneva	Oct. 3-20
IAEA Board of Governors	Mexico City	Oct. 4
FAO: 7th World Congress on Forestry	Buenos Aires	Oct. 4-18
IMCO International Conference on Revision of Regulations for Preventing Collisions at Sea.	London	Oct. 4-20
European Community/United States Consultations: 5th Round .	Washington	Oct. 5-6
FAO Indian Ocean Fishery Commission: 3d Session	Colombo	Oct. 5-13
CCC Commodity Code Steering Group	Brussels	Oct. 9-11
GATT Working Party on Accession of Poland	Geneva	Oct. 9-12
ECE Inland Water Transport Committee	Geneva	Oct. 9-13
GATT CTIP Working Parties I and II	Geneva	Oct. 9-13
IOC/ICSEM/GFCM International Group for Cooperative Investigations in the Mediterranean and 12th Consultative Group for Technical Cooperation.	Rome	Oct. 9-13
ECE Ad Hoc Meeting on Problems Relating to Transport of Ship-Borne Barges.	Geneva	Oct. 9-14
UNHCR Executive Committee: 23d Session	Geneva	Oct. 9-18
ICAO: 4th Obstacle Clearance Panel	Montreal	Oct. 9-20
UNCTAD Committee on Manufactures	Geneva	Oct. 9-20
WMO Commission for Maritime Meteorology	Tokyo	Oct. 9-21

¹ This schedule, which was prepared in the Office of International Conferences on September 15, 1972, lists international conferences in which the U.S. Government expects to participate officially in the period October-December 1972. Nongovernmental conferences are not included.

Following is a key to the abbreviations: CCC, Customs Cooperation Council; CCMS, Committee on the Challenges of Modern Society; CCP, Committee on Commodity Problems; CTIP, Committee on Trade in Industrial Products; ECA, Economic Commission for Africa; ECAFE, Economic Commission for Asia and the Far East; ECE, Economic Commission for Europe; ECOSOC, Economic and Social Council; FAO, Food and Agriculture Organization; GATT, General Agreement on Tariffs and Trade; GFCM, General Fisheries Council of the Mediterranean; IAEA, International Atomic Energy Agency; IA-ECOSOC, Inter-American Economic and Social Council; ICAO, International Civil Aviation Organization; ICEM, Intergovernmental Committee for European Migration; ICIREPAT, International Cooperation for Information Retrieval Among Patent Offices; ICO, International Coffee Organization; ICSEM, International Council for the Scientific Exploration of the Mediterranean; IGOSS, Integrated Global Ocean Station System; ILO, International Labor Organization; IMCO, Intergovernmental Maritime Consultative Organization; IOC, Intergovernmental Oceanographic Commission; OECD, Organization for Economic Cooperation and Development; PAHO, Pan American Health Organization; RID, European Convention on Transport of Dangerous Goods by Rail; UCC, Universal Copyright Convention; UNCITRAL, United Nations Commission on International Trade Law; UNCTAD, United Nations Conference on Trade and Development; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNHCR, United Nations High Commissioner for Refugees; UNIDO, United Nations Industrial Development Organization; WHO, World Health Organization; WIPO, World Intellectual Property Organization; WMO, World Meteorological Organization.

Calendar of International Conferences—Continued

Scheduled October Through December—Continued

UNESCO Bureau of International Coordinating Council on Man and Biosphere.	Geneva	Oct. 10-12
PAHO: 21st Meeting of the Directing Council; 24th Meeting of the Regional Committee of the Americas.	Santiago	Oct. 10-14
CCC Valuation Committee: 59th Session	Brussels	Oct. 10-20
ICAO: 5th Africa/Indian Ocean Regional Air Navigation Meeting	Kampala	Oct. 11-Nov. 3
PAHO Executive Committee: 89th Meeting	Santiago	Oct. 14
OECD Development Assistance Committee: High-Level Meeting	Paris	Oct. 16-17
WHO International Agency for Research on Cancer (IARC), Governing Council: 10th Session.	Lyon, France	Oct. 16-18
ECE Group of Experts on Construction of Vehicles	Geneva	Oct. 16-20
FAO/IAEA Panel on Tracer Techniques in Tropical Animal Production Studies.	Djakarta	Oct. 16-20
FAO Regional Commission on Farm Management for Asia and the Far East.	Kandy, Ceylon	Oct. 16-20
GATT Committee on Trade in Industrial Products	Geneva	Oct. 16-20
UNESCO World Conference on Informatics in Government	Venice	Oct. 16-20
International North Pacific Fisheries Commission	Vancouver	Oct. 16-Nov. 3
ILO Inter-American Advisory Committee	San José	Oct. 17-23
FAO Regional Conference for Asia and the Far East	New Delhi	Oct. 17-27
UNESCO: 17th General Conference	Paris	Oct. 17-Nov. 18
OECD Consumer Policy Committee	Paris	Oct. 18-19
FAO Indo-Pacific Fisheries Council: 15th Session	Wellington	Oct. 18-27
GATT Committee on Trade and Development	Geneva	Oct. 23-24
ICAO Forecasting Workshop: 1st Meeting	Montreal	Oct. 23-27
CCC Working Party on Standard International Trade Classification, Brussels Tariff Nomenclature.	Brussels	Oct. 23-28
Plenipotentiary Conference to Adopt an Ocean Dumping Convention.	London	Oct. 23-Nov. 3
OECD Oil Committee	Paris	Oct. 24-27
ICAO Statistical Panel	Montreal	Oct. 24-Nov. 3
ECE Timber Committee: 13th Session	Geneva	Oct. 30-Nov. 3
ECE Working Party on Road Transport	Geneva	Oct. 30-Nov. 3
IMCO Maritime Safety Committee: 26th Session	London	Oct. 30-Nov. 3
WIPO Committee of Experts on Patent Licensing Convention	Geneva	Oct. 30-Nov. 3
FAO International Rice Commission	Bangkok	Oct. 30-Nov. 5
Colombo Plan Consultative Committee: 22d Session	New Delhi	Oct. 30-Nov. 8
3d ECA Regional Cartographic Conference for Africa	Addis Ababa	Oct. 30-Nov. 10
FAO CCP: 47th Session	Bangkok	Oct. 30-Nov. 10
International Coffee Council: Special Session	London	Oct. 30-Nov. 10
7th Antarctic Treaty Consultative Meeting	Wellington	Oct. 30-Nov. 10
UNCTAD Committee on Commodities: 7th Meeting	Geneva	Oct. 30-Nov. 10
ECA Executive Committee	Addis Ababa	October
ECE Steel Committee	Geneva	October
FAO Council: 59th Session	Rome	October
International Cotton Advisory Committee	Managua	October
International Lead and Zinc Study Group	Geneva	October
International Rubber Study Group	Bangkok	October
UNESCO/WIPO-UCC Intergovernmental Copyright Committee: Regular Session; Berne Copyright Convention Executive Committee: Regular Session.	Geneva	October
ILO Governing Body: 188th Session	Geneva	Nov. 1-11
2d ECAFE Asian Population Conference	Tokyo	Nov. 1-13
GATT Contracting Parties: 28th Session	Geneva	Nov. 1-14
OECD Working Party on Short Term Forecasts	Paris	Nov. 2-3
1st WHO Regional Conference on National Health Planning	Manila	Nov. 2-9
IMCO Committee on Technical Cooperation: 7th Session	London	Nov. 6
Joint RID/ECE Group of Experts on Transport of Dangerous Goods.	Indefinite	Nov. 6-10

9th Inter-American Statistical Congress	Santiago	Nov. 6-14
OECD Working Party of the Nomenclature Committee	Brussels	Nov. 7-10
IMCO Council: 29th Session	London	Nov. 7-10
FAO Codex Alimentarius Commission: 9th Session	Rome	Nov. 7-17
14th ICAO Meeting of Automated Data Interchange Systems Panel	Montreal	Nov. 7-24
OECD Environment Committee	Paris	Nov. 8-10
OECD Economic Policy Committee: Working Party II	Paris	Nov. 13-14
IMCO Legal Committee: 15th Session	London	Nov. 13-17
ECOSOC Statistical Commission: 17th Session	Geneva	Nov. 13-24
OECD Nomenclature Committee: 29th Session	Brussels	Nov. 13-25
UN/IMCO Conference on International Container Traffic	Geneva	Nov. 13-Dec. 15
NATO CCMS Plenary Meeting	Brussels	Nov. 14-15
ECAFE/WMO Typhoon Committee: 5th Session	Bangkok	Nov. 14-20
OECD Economic Policy Committee	Paris	Nov. 15-16
9th Inter-American Conference of Ministers of Labor	Buenos Aires	Nov. 17-27
UNESCO: 91st Session of the Executive Board	Paris	Nov. 19-22
ECE Working Party on Inland Water Transport	Geneva	Nov. 20-24
IMCO Preparatory Meeting on Space Requirements for Special Trade Passenger Ships.	London	Nov. 20-24
WIPO Joint Ad Hoc Committee on International Patent Classifi- cation, Strasbourg Agreement.	Geneva	Nov. 20-24
ICEM Subcommittee on Budget and Finance: Resumed 25th Session.	Geneva	Nov. 27-28
IMCO Subcommittee on Marine Pollution: 14th Session	London	Nov. 27-Dec. 1
International Wheat Council and Food Aid Committee	London	Nov. 27-Dec. 1
GATT CTIP Working Group III	Geneva	Nov. 28-Dec. 8
ICEM Executive Committee: 42d Session	Geneva	Nov. 30-Dec. 1
IMCO Working Committee for IGOSS: 4th Session	Geneva	November
IMCO Special Council	London	November
International Commission for the Conservation of Atlantic Tunas	Madrid	November
International Sugar Council	London	November
UNESCO Preparatory Meeting for the 2d Conference of Ministers of Education of European Member States.	Paris	November
UNESCO/WIPO Committee of Experts on International Ar- rangements in Space Communications Field.	Geneva	November
ICAO: Extraordinary Session of the Assembly	Montreal	November- December
UNCTAD Committee on Commodities	Geneva	November- December
UNESCO Bureau of Coordinating Council on International Hydro- logical Decade: 14th Session.	Paris	November- December
WIPO Committee of Experts for an Agreement on the Protection of Type Faces: Preparatory Meeting for Vienna Diplomatic Conference.	Geneva	November- December
ICEM Council: 35th Session	Geneva	Dec. 4-6
IMCO Subcommittee on Ship Design and Equipment	London	Dec. 4-8
OECD Trade Committee: Working Party on Government Pur- chasing.	Paris	Dec. 5-8
WIPO Committee of Experts on Revision of the Madrid Trade- mark Agreement: Preparatory for Vienna Diplomatic Confer- ence.	Geneva	Dec. 5-12
NATO Ministerial Meeting	Brussels	Dec. 7-8
IMCO Subcommittee on Safety of Navigation: 14th Session	London	Dec. 11-15
ECAFE Conference on Social Development	Bangkok	Dec. 11-16
FAO Conference on Ecology in Relation to Plant Pest Control	Rome	Dec. 11-16
UNESCO Bureau of International Coordinating Council on Man and Biosphere: 2d Meeting.	Paris	Dec. 11-16
WIPO ICIREPAT Technical Coordination Committee	Geneva	Dec. 13-15
UNIDO Permanent Committee Meeting	Vienna	Dec. 14-20
IMCO Legal Committee: 16th Session	London	Dec. 18-22
IA-ECOSOC: 8th Annual Meeting	Indefinite	December
UNCITRAL Working Group on International Sale of Goods: 4th Session.	Geneva	December
WIPO Committee of Experts for the International Classification of the Figurative Elements of Marks.	Geneva	December

TREATY INFORMATION

U.S. Government Reschedules Pakistan Debt

Press release 231 dated September 20

Government officials of the United States and Pakistan have signed agreements rescheduling \$51 million in payments owed to the United States by Pakistan, the State Department announced on September 20. These agreements implement the multilateral agreed minute signed in Paris on May 26 which provided for the rescheduling of \$234 million in debts to the 11 member nations of the Pakistan Consortium.

The U.S. share of \$51 million consists of \$37 million of AID dollar loans for economic assistance, \$9 million in export credits from the Export-Import Bank of the United States, \$3 million for Food for Peace sales under Public Law 480, title I, and \$2 million in commercial credits from the Commodity Credit Corporation.

The agreements were signed September 20 by Sultan Mohammad Khan, Pakistani Ambassador to the United States; Willis C. Armstrong, Assistant Secretary, U.S. State Department; Donald G. MacDonald, Assistant Administrator, Agency for International Development; and Henry Kearns, President, Export-Import Bank of the United States.

Current Actions

MULTILATERAL

Agriculture

International plant protection convention. Done at Rome December 6, 1951. Entered into force April 3, 1952; for the United States August 18, 1972.
Proclaimed by the President: September 18, 1972.

Atomic Energy

Agreement amending the agreement of March 10, 1967 (TIAS 6583), for the application of safeguards by the International Atomic Energy Agen-

cy to the bilateral agreement between the United States and Brazil of July 8, 1965 (TIAS 6126) for cooperation concerning civil uses of atomic energy. Signed at Vienna July 27, 1972.

Entered into force: September 20, 1972.

Amendment to article VI of the statute of the International Atomic Energy Agency of October 26, 1956, as amended (TIAS 3873, 5284). Done at Vienna September 28, 1970.¹

Acceptances deposited: Liechtenstein, September 18, 1972; Sri Lanka (Ceylon), September 2, 1972; Zaïre, September 18, 1972.

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 719.
Ratification deposited: France, September 1, 1972.

Biological Weapons

Convention on the prohibition of the development, production and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow April 10, 1972.¹

Ratification deposited: Canada, September 1, 1972.

Cultural Relations

Agreement on the importation of educational, scientific, and cultural materials, with protocol. Done at Lake Success November 22, 1950. Entered into force May 21, 1952; for the United States November 2, 1966. TIAS 6129.

Accession deposited: Iraq, August 11, 1972.

Finance

Articles of agreement of the International Monetary Fund, as amended. Done at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1501, 6748.

Signature and acceptance: United Arab Emirates, September 22, 1972.

Articles of agreement of the International Bank for Reconstruction and Development, as amended. Done at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1502, 5929.

Signature and acceptance: United Arab Emirates, September 22, 1972.

Judicial Procedures

Convention on the taking of evidence abroad in civil or commercial matters. Done at The Hague May 18, 1970. Enters into force October 7, 1972.

Proclaimed by the President: September 15, 1972.

Maritime Matters

Convention on the Intergovernmental Maritime Consultative Organization. Done at Geneva May 6, 1948. Entered into force March 17, 1958. TIAS 4044.

Acceptance deposited: Equatorial Guinea, September 6, 1972.

¹ Not in force.

Narcotic Drugs

Protocol amending the single convention on narcotic drugs, 1961. Done at Geneva March 25, 1972.¹

Senate advice and consent to ratification: September 18, 1972.

Postal Matters

Additional protocol to the constitution of the Universal Postal Union with final protocol signed at Vienna July 10, 1964 (TIAS 5881), general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971, except for article V of the additional protocol, which entered into force January 1, 1971. TIAS 7150. *Ratifications deposited:* United Kingdom,² overseas territories for the international relations of which the United Kingdom is responsible, June 30, 1972.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annexes. Done at Washington August 20, 1971.¹

Ratification deposited: France, September 18, 1972.

Wheat

International wheat agreement, 1971. Open for signature at Washington March 29 through May 3, 1971. Entered into force June 18, 1971, with respect to certain provisions, July 1, 1971, with respect to other provisions; for the United States July 24, 1971. TIAS 7144.

Ratification of the Wheat Trade Convention deposited: Portugal, September 21, 1972.

Accession to the Wheat Trade Convention deposited: Nigeria, September 22, 1972.

BILATERAL

Afghanistan

Agreement extending the technical cooperation program agreement of June 30, 1953, as extended (TIAS 2856, 7283). Effected by exchange of notes at Kabul June 26 and July 8, 1972. Entered into force July 8, 1972.

Argentina

Agreement relating to the payment of old-age, survivors, and disability benefits to beneficiaries residing abroad. Effected by exchange of notes at Buenos Aires September 15, 1972. Entered into force September 15, 1972.

Memorandum of understanding on cooperation in the narcotics field. Signed at Buenos Aires September 15, 1972. Entered into force September 15, 1972.

Extradition convention. Signed at Buenos Aires September 26, 1896. Entered into force July 2, 1900. 31 Stat. 1883.

Terminated: September 15, 1972.

Treaty on extradition. Signed at Washington January 21, 1972.

Ratifications exchanged: September 15, 1972.

Entered into force: September 15, 1972.

Agreement for scientific and technical cooperation.

Signed at Buenos Aires April 7, 1972.

Entered into force: August 11, 1972.

Bahamas

Agreement relating to the establishment of a cooperative meteorological program in the Bahama Islands. Signed at Nassau August 14 and 29, 1972. Entered into force August 29, 1972.

Brazil

Agreement for cooperation concerning civil uses of atomic energy. Signed at Washington July 8, 1965. Entered into force November 9, 1966. TIAS 6126. *Terminated:* September 20, 1972.

Agreement for cooperation concerning civil uses of atomic energy, with appendix and related notes. Signed at Washington July 17, 1972.

Entered into force: September 20, 1972.

British Honduras

Agreement confirming the cooperative agreement between the British Honduran Ministry of Agriculture, Lands, and Cooperatives and the United States Department of Agriculture for the prevention of foot-and-mouth disease and rinderpest in British Honduras. Signed at Belize September 6 and 12, 1972. Entered into force September 12, 1972.

European Atomic Energy Community

Amendment to the additional agreement of June 11, 1960, as amended (TIAS 4650, 5104, 5444), for cooperation concerning peaceful uses of atomic energy. Signed at Washington September 20, 1972. Enters into force on the date on which each party shall have received from the other party written notification that it has complied with all statutory and constitutional requirements for the entry into force of such amendment.

Indonesia

Agreement amending the agreement for sales of agricultural commodities of May 26, 1972 (TIAS 7358). Effected by exchange of notes at Djakarta August 28, 1972. Entered into force August 28, 1972.

Korea

Agreement relating to the loan of the U.S.S. *Chevalier* to Korea. Effected by exchange of notes at Seoul June 26 and September 7, 1972. Entered into force September 7, 1972.

Pakistan

Agreement regarding the consolidation and rescheduling of payments under P.L. 480, title I, agricultural commodities agreements, with annexes. Signed at Washington September 20, 1972. Entered into force September 20, 1972.

Agreement regarding the consolidation and rescheduling of certain debts owed to the United States Government and its agencies, with annexes. Signed

¹ Not in force.

² Applicable to the Channel Islands and the Isle of Man.

at Washington September 20, 1972. Entered into force September 20, 1972.

Agreement amending the agreement for sales of agricultural commodities of March 9, 1972 (TIAS 7301). Effected by exchange of notes at Islamabad September 1, 1972. Entered into force September 1, 1972.

Viet-Nam

Agreement amending the agreements for sales of agricultural commodities of June 28, 1971 (TIAS 7157), and April 19, 1972 (TIAS 7322). Effected by exchange of notes at Saigon September 6, 1972. Entered into force September 6, 1972.

PUBLICATIONS

1947 "Foreign Relations" Volume on Eastern Europe Released

Press release 221 dated September 11 (for release September 17)

The Department of State released on September 17 the volume of documents entitled *Foreign Relations of the United States, 1947, Volume IV, Eastern Europe; The Soviet Union* (x, 887 pages). This volume includes detailed documentation on efforts by the United States to secure the implementation of the treaties of peace with Bulgaria, Hungary, and Romania; the problems of setting up a Free Territory of Trieste; the interest of the United States in the adoption or maintenance of democratic institutions in Bulgaria, Hungary, and Romania; and political and economic relations with Czechoslovakia, Finland, Poland, the Soviet Union, and Yugoslavia.

The volume was prepared by the Historical Office, Bureau of Public Affairs. Copies may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for \$5.25 each (Department of State publication 8532).

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Address requests direct to the Superintendent of Documents. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders.

Agricultural Commodities. Agreement with the Dominican Republic amending the agreement of February 14, 1972 TIAS 7320. 4 pp. 10¢.

Military Assistance—Deposits under Foreign Assistance Act of 1971. Agreement with Uruguay. TIAS 7329. 4 pp. 10¢.

Agricultural Commodities. Agreement with Lebanon amending the agreement of August 31, 1971, as amended. TIAS 7331. 3 pp. 10¢.

Military Assistance—Deposits under Foreign Assistance Act of 1971. Agreement with Nicaragua. TIAS 7332. 6 pp. 10¢.

Military Assistance—Deposits under Foreign Assistance Act of 1971. Agreement with Lebanon. TIAS 7334. 3 pp. 10¢.

Trade in Cotton Textiles. Agreement with Japan amending the arrangement of January 28, 1972. TIAS 7335. 7 pp. 10¢.

Trade in Cotton Textiles. Agreement with Portugal amending the agreement of November 17, 1970. TIAS 7336. 3 pp. 10¢.

Military Assistance—Deposits under Foreign Assistance Act of 1971. Agreement with Nigeria. TIAS 7338. 3 pp. 10¢.

Agricultural Commodities. Agreement with Pakistan amending the agreement of March 9, 1972. TIAS 7339. 3 pp. 10¢.

Agricultural Commodities. Agreement with the Republic of Korea amending the agreement of February 14, 1972. TIAS 7341. 4 pp. 10¢.

Agricultural Commodities. Agreement with Viet-Nam amending the agreement of April 19, 1972, as amended. TIAS 7342. 4 pp. 10¢.

Military Assistance—Deposits under the Foreign Assistance Act of 1971. Agreement with Peru. TIAS 7348. 4 pp. 10¢.

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No.	Date	Subject
*228	9/18	Mendenhall sworn in as Ambassador to the Malagasy Republic (biographic data).
†229	9/19	U.S. delegation to Inter-American Commission of Women.
*230	9/19	Bush: rally for Soviet Jewry, Washington, Sept. 17.
231	9/20	U.S. Government reschedules Pakistan debt.
232	9/21	U.S. and Canada agree on measures to enhance St. John River water quality.
233	9/21	Porter: 160th plenary session on Viet-Nam at Paris.
233A	9/21	Porter: additional remarks.
*234	9/21	Department of State-Brookings Institution conference on implications of European monetary unification for the United States, Sept. 21-22.
*235	9/22	Landau sworn in as Ambassador to Paraguay (biographic data).
†236	9/23	Memorandum of implementation of U.S.-U.S.S.R. environment agreement.

* Not printed.

† Held for a later issue of the BULLETIN.

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THE
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BULLETIN

Vol. LXVII, No. 1738



October 16, 1972

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OCT 28 1972

THE DEPARTMENT OF STATE **BULLETIN**

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The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

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A World Free of Violence

Following is a statement by Secretary Rogers made before the 27th session of the U.N. General Assembly on September 25, together with the texts of a draft convention and a draft resolution on terrorism circulated by the United States that day.

STATEMENT BY SECRETARY ROGERS

Press release 238 dated September 26

During the past few years the world has made remarkable advances toward the charter goal of practicing tolerance and living together in peace with one another as good neighbors. In 1972 alone:

—The United States and the Soviet Union have undertaken with each other to do “their utmost” to avoid military confrontations, to respect the sovereign equality of *all* countries, and to promote conditions in which no country would be subject to “outside interference in (its) internal affairs.”¹

—The Soviet Union and the United States have also placed precise limitations on our defensive and at least for the next five years on our offensive strategic missile systems.

—The United States and the People's Republic of China have undertaken to broaden understanding between our peoples, to improve relations between us in the conviction that this would be “in the interests of all countries,” and to oppose any efforts toward hegemony in Asia or toward divisions of the world “into spheres of interest.”²

—The United Kingdom, France, the Soviet Union, and the United States have agreed on specific provisions to insure unimpeded movement to and from Berlin by road, rail, and waterways.

—The Federal Republic of Germany and the German Democratic Republic have opened negotiations on a treaty to normalize their relations.

—And North and South Korea have intensified their talks on the plight of divided families and have agreed to establish a joint committee to examine problems of unification.

There were many other accomplishments toward the charter's objectives in 1972. I mention these merely to illustrate how old patterns of hostility are being eroded. If continued, this process in time will find positive reflection within the United Nations itself.

We are encouraged, too, by calls in both Eastern and Western capitals for a more secure and more open Europe.

A step toward realizing this goal would be creation of a more stable military balance in central Europe through negotiation of mutual and balanced force reductions. We are currently in consultation with our allies, and we believe exploratory talks on this subject could begin within several months. We trust they will be productive.

It is equally important to move toward more normal relationships in Europe, relationships which have not existed since the end of the Second World War.

Toward this objective a Conference on

¹ For text of the Basic Principles of Relations Between the United States and the U.S.S.R. signed at Moscow on May 29 during President Nixon's visit, see BULLETIN of June 26, 1972, p. 898.

² For text of a joint communique issued on Feb. 27 during President Nixon's visit to the People's Republic of China, see BULLETIN of Mar. 20, 1972, p. 435.

Security and Cooperation in Europe, if it is carefully and constructively prepared, could play a crucial role. A conference whose overall effect was to put a stamp of approval upon the rigid divisions of Europe would only prolong the problems of today into yet another generation. A conference which promoted a more normal relationship among all of Europe's states and peoples would reinforce the trend toward better relations on other levels. That is why we believe that the conference must take practical steps to promote the freer movement of people, ideas, and goods across the breadth of the continent.

We are also now studying alternative approaches for the forthcoming SALT talks [Strategic Arms Limitation Talks]. The United States will pursue these general aims:

—First, our endeavor will be to negotiate on offensive weapons. In so doing we shall seek to expand the scope of strategic offensive weapons included in the limitations and to establish an equitable balance in the major delivery systems.

—Second, we will wish to examine carefully qualitative limitations which could enhance stability.

—Third, we will aim to reduce levels of strategic arms. As President Nixon said to this General Assembly in 1969, our objective is "not only to limit the buildup of strategic arms but to reverse it."³

Of course we also attach importance to the work of the Conference of the Committee on Disarmament, which has now turned its attention to preventing the accumulation of chemical weapons for use in warfare. Work in the Committee has come a long way toward resolving some of the important and complex issues related to possible significant restraints in this area. The United States is intensifying its study of all proposals, and we look forward to responding to them at an early date.

³ BULLETIN of Oct. 6, 1969, p. 297.

It is clear from what I have said that the United States believes that a practical step-by-step approach is the best way to achieve genuine progress in disarmament.

Let me take note of other areas in the world in which progress needs to be accelerated.

In Africa, this Assembly must continue to champion the efforts of all people of all races for human dignity, self-determination, and social justice. The United States will continue to lend its full support to all practical efforts to these ends.

In Latin America, while growth rates in recent years have far exceeded Alliance for Progress targets, economic development is still a primary concern and a primary need. The U.S. Government remains committed to a substantial program of economic assistance, particularly through regional organizations. And in recognition of the importance of trade to development, we are actively supporting the participation of Latin American and other developing countries in the coming negotiations on a new international trading system.

In Viet-Nam the United States has reduced its armed forces from about 550,000 to 35,000. President Nixon has proposed a cease-fire in all of Indochina under international supervision, an exchange of prisoners of war, and a total withdrawal of all American forces. Under this proposal the political future of Viet-Nam could be negotiated by the Vietnamese themselves. President Nixon has also pledged a major effort to assist both Vietnamese states in postwar reconstruction. In such circumstances it is hard to understand why the other side persists in believing the war should be continued.

Climate for Middle East Peace Settlement

And in the Middle East, the momentum toward a peace settlement must be regained.

We should take note of two positive elements. The cease-fire is now in its 26th month. The climate for a settlement seemed to improve as 1972 progressed.

We must, however, recognize that the Munich killings have set off deplorable patterns of action and counteraction and have seriously clouded prospects of early progress. Nevertheless, neither side has permanently closed the door to future diplomatic efforts. We believe that forces favoring a peaceful settlement still have the upper hand. Our task is to do everything possible to see that they are supported.

The "no peace, no war" situation which prevails now in the Middle East does not and will not serve the interest of anyone in the area. Certainly a stable, just, and durable peace agreement based on Security Council Resolution 242 continues to be the objective of the United States.⁴

But this cannot be achieved without the beginning of a genuine negotiating process between the parties concerned. No settlement imposed from the outside could long endure. Negotiation is not capitulation. Negotiating activity among longstanding antagonists across the world is presently occurring. Why should the Middle East be an exception? When North Korea can talk with South Korea, when East Germans can talk with West Germans, when Indians and Pakistanis can meet in the immediate aftermath of war and prior to the withdrawal of troops—then surely the Middle East should be no exception to the general rule that differences should be reconciled through an active dialogue between the parties concerned.

We do not hold that the process need necessarily begin with direct negotiations. Other diplomatic avenues exist. Ambassador Jarring [U.N. Special Representative Gunnar Jarring] remains available to help the parties negotiate the terms of a peace settlement in accordance with Security Council Resolution 242.

Another—in our view the most promising first step—would be proximity talks leading

to an interim Suez Canal agreement. This would separate the combatants, restore to Egypt operation of and authority over the Suez Canal, involve some Israeli withdrawal, preserve the cease-fire, and provide momentum for further efforts toward an overall settlement.

It is encouraging that both sides agree that such an interim agreement would not be an end in itself but rather the first step toward an overall peace settlement. Such a practical test of peace on the ground would be in the interests of both sides, and the United States remains prepared to assist in achieving it. Moreover, an overall settlement in accordance with Resolution 242 must meet the legitimate aspirations and concerns of governments on both sides as well as of the Palestinian people.

U.N. Weaknesses and Strengths

In considering some of the great political developments of the past few years, one cannot help but observe that the United Nations has not been directly involved. This fact has often been cited in attacks against it.

We are all aware, of course, that the charter does not intend the United Nations to be the center of all diplomacy. Still, as the Secretary General puts it temperately in his annual report, "in the political sphere the Organization's place is . . . uncertain."⁵ With this thought most of us would agree.

Looking to the future, it is well to keep in mind that it is not so much in institutional reforms as in national wills that the solutions to the problem must be sought. Yet to the extent that better work methods and more realistic institutional arrangements will help, we also must bring them about. For example:

—We believe that for the Security Council to maintain its influence and authority, ways must be found to assure representation for states, other than the present permanent

⁴ For text of the resolution, see *BULLETIN* of Dec. 18, 1967, p. 843.

⁵ U.N. doc. A/8701/Add. 1.

members, whose resources and influence are of major importance in world affairs. The absence of Japan, for example, is notable in a body designed to engage the responsibilities of the world's principal powers.

—We believe that greater recourse to fact-finding commissions, to good offices, and to quiet preventive diplomacy should be employed.

—We believe that the increase in bloc voting, often without independent regard for the merits of the issue, is leading increasingly to unrealistic results.

The discussion of United Nations weaknesses in dealing with political problems has reached its peak just at a time when its contribution to economic development and scientific and technological cooperation is making great strides.

Long before economic development became a major matter of international concern, the United Nations initiated efforts to reduce the economic gap between developed and developing countries. From the start the United States has supported that effort. It is an encouraging fact that during each of the last three years the per capita growth in production has finally achieved a higher rate in the less developed than in the developed world. Still, as the recent World Bank study showed, there are serious problems of income distribution, high rates of infant mortality, low rates of literacy, serious malnutrition, and widespread ill health. The United States intends to continue to devote serious efforts to solving such problems—through the improved United Nations Development Program and through other channels of economic assistance.

United Nations activities related to science and technology are also having an impact:

—The landmark United Nations Conference on the Human Environment has proposed a world monitoring of levels of pollution in water, air, earth, and living beings, measuring levels of specific chemicals, such as the hydrocarbons which poison the air of the world's cities. To launch this and other important programs without delay, we urge

this Assembly to establish the Secretariat and the proposed \$100 million Fund for the Environment.

—The United Nations can also make a substantial contribution in the fight against drug traffic, particularly heroin traffic. A revised Single Convention on Narcotic Drugs will give the Narcotics Board authority to reduce poppy cultivation and opium production in countries shown to be sources of that traffic. The U.N. Drug Abuse Fund is helping states to improve their drug administrations, to train police and customs officials, to develop other means of livelihood for opium farmers, and to prevent and treat drug addiction. As President Nixon said last week, "Every government which wants to move against narcotics should know that it can count on (the United States) for our wholehearted support and assistance in doing so."

—Just last week the Secretary General announced that 1974 will be the World Population Year and the time of a major U.N. population conference. It is our hope that the conference will lead to the setting of concrete goals of reduced population growth.

—This General Assembly will review the progress of its Seabed Committee in preparing for a conference on the law of the sea. It is important for us to use this opportunity to help make the oceans an example of international cooperation, rather than an area of future conflict.

Such activities as pollution, narcotics, the seabeds, and population control—most of them connected with new applications of science and technology—will increase in importance in the future. We believe they must acquire a greater focus and priority in the United Nations.

I have spoken today about some of the U.N.'s weaknesses as well as some of its strengths because I believe we must look at this organization realistically so that we may contribute to its future prospects. In that spirit, the United States will continue to support the United Nations. We remain committed to making it stronger and more effective.

Dealing With Acts of International Terrorism

During this session the United Nations will have an opportunity and an obligation to take action of vital importance to the international community. The United Nations must deal effectively with criminal acts of international terrorism which are so tragically touching the lives of people everywhere, without warning, without discrimination, without regard for the sanctity of human life.

Twenty-four years ago the United Nations, in its Declaration of Human Rights, affirmed that every human being has a right to life, liberty, and "security of person." Yet what is happening in the world today to that security?

—In Sweden, 90 people boarding an international flight are made hostage and held for ransom by Croatian terrorists.

—In London, an Israeli diplomat is killed by a bomb sent through the mail. In New York, colleagues in the United Nations narrowly avert a similar fate.

—In Cyprus, 95 persons of many nationalities narrowly escape death on a Venezuelan plane when a bomb is discovered just in time.

—In New York, shots are fired into the apartment of a member of the Soviet Mission where children are playing.

—In Munich, 11 Olympic athletes are kidnaped and murdered in a day of horror witnessed throughout the world.

—In Czechoslovakia, a Czechoslovak pilot is killed and his plane hijacked and diverted to West Germany.

—In Israel, 26 tourists, 16 of them American citizens, are slaughtered in an insane attack at an international airport.

In this year alone 25 airliners from 13 countries have been successfully hijacked, and 26 other attempts have been frustrated. In this year alone 140 airplane passengers and crew have been killed, and 97 wounded, in acts of terrorism. In five years 27 diplomats from 11 countries have been kidnaped and three assassinated. In New York, Arab and other missions have been threatened.

Is there any one of you here who has not had occasion, as you have journeyed by plane from around the globe, to be concerned about your own personal safety? Is there any one of you here who has not wondered what terrorist might strike next, or where?

The issue is not war—war between states, civil war, or revolutionary war. The issue is not the strivings of people to achieve self-determination and independence.

Rather, it is whether millions of air travelers can continue to fly in safety each year. It is whether a person who receives a letter can open it without the fear of being blown up. It is whether diplomats can safely carry out their duties. It is whether international meetings—like the Olympic games, like this Assembly—can proceed without the ever-present threat of violence.

In short, the issue is whether the vulnerable lines of international communication—the airways and the mails, diplomatic discourse and international meetings—can continue, without disruption, to bring nations and peoples together. All who have a stake in this have a stake in decisive action to suppress these demented acts of terrorism.

We are all aware that, aside from the psychotic and the purely felonious, many criminal acts of terrorism derive from political origins. We all recognize that issues such as self-determination must continue to be addressed seriously by the international community. But political passion, however deeply held, cannot be a justification for criminal violence against innocent persons.

Certainly the terrorist acts I have cited are totally unacceptable attacks against the very fabric of international order. They must be universally condemned, whether we consider the cause the terrorists invoke noble or ignoble, legitimate or illegitimate.

We must take effective steps to prevent the hijacking of international civil aircraft.

We must take effective steps to prevent murderous attacks and kidnaping of diplomats.

We must take effective steps to prevent terrorists from sending bombs through the mails or murdering innocent civilians.

The United States welcomes the initiative the Secretary General has taken to place this matter on the agenda.

Two years ago, before the problem had reached its present dimensions, the General Assembly took the first step, the step that must guide us now. In the Declaration on Friendly Relations Among States, which so strongly reaffirmed the right of self-determination, the General Assembly also unanimously declared that each nation has a duty to refrain from assisting or in any way participating in "terrorist acts in another State or acquiescing in organized activities within its territory directed towards the commission of such acts."⁶

The time has come to make that obligation, which this General Assembly solemnly undertook, more specific and meaningful.

In the past two years, the international community has taken certain steps in the field of hijacking. Conventions have been concluded prescribing severe penalties for the hijacking and sabotage of aircraft and requiring states to extradite or prosecute hijackers and saboteurs. We urge all states which have not ratified these conventions to do so.

We are now faced with an urgent need to deter and punish international crimes of violence not only in the air but throughout our societies. The United States urges that this Assembly act, and act at once, to meet this challenge.

First, the draft treaty to prosecute or extradite those who attack or kidnap diplomats or officials of foreign governments or international organizations should be completed and opened for signature at this session of the Assembly. The draft articles are already before this Assembly in document A/8710.

Second, a treaty providing for suspension of all air service to countries which fail to punish or extradite hijackers or saboteurs of civil aircraft should be promptly completed

and opened for signature. A nation which is a haven for hijackers should be outlawed by the international community. A draft of a treaty to do this has already been considered by a subcommittee of the International Civil Aviation Organization.⁷ To achieve early action the process of deliberation should be accelerated, and a diplomatic conference to complete the treaty should be called without delay.

Third, a new treaty on the export of international terrorism should be concluded and opened for signature as soon as possible. It should include universal condemnation of and require the prosecution or extradition of persons who kill, seriously injure, or kidnap innocent civilians in a foreign state for the purpose of harming or forcing concessions from a state or from an international organization. To complete such a treaty a diplomatic conference should be convened as soon as possible. The U.S. Government is today circulating a first draft of a treaty. We urge all governments to give it their earnest attention.

We have also embodied these various proposals in a draft resolution, which we submitted to the Secretariat for distribution this morning.

These actions would mark a major advance in the struggle against international terrorism. Surely it is in the collective interest of every nation represented in this hall to arrest the growing assault on international order with which we are all faced.

Let this General Assembly be the driving force for the specific and vigorous steps that are required. Let it prove that the United Nations can meet this test. Let it show people everywhere that this organization—here, now—is capable of the concrete action necessary to bring us closer to a world free of violence, the kind of a world which is the great goal of the U.N. Charter.

⁶ For text of the declaration, see BULLETIN of Nov. 16, 1970, p. 627.

⁷ For background, see BULLETIN of Oct. 2, 1972, p. 357.

TEXT OF DRAFT CONVENTION

Press release 238A dated September 26

DRAFT CONVENTION FOR THE PREVENTION AND PUNISHMENT OF CERTAIN ACTS OF INTERNATIONAL TERRORISM

THE STATES PARTIES TO THIS CONVENTION—

RECALLING United Nations General Assembly Resolution 2625 (XXV) proclaiming principles of international law concerning friendly relations and co-operation among States in accordance with the Charter of the United Nations;

CONSIDERING that this Resolution provides that every State has the duty to refrain from organizing, instigating, assisting or participating in terrorist acts in another State or acquiescing in organized activities within its territory directed towards the commission of such acts;

CONSIDERING the common danger posed by the spread of terrorist acts across national boundaries;

CONSIDERING that civilians must be protected from terrorist acts;

AFFIRMING that effective measures to control international terrorism are urgently needed and require international as well as national action;

HAVE AGREED AS FOLLOWS:

ARTICLE 1

1. Any person who unlawfully kills, causes serious bodily harm or kidnaps another person, attempts to commit any such act, or participates as an accomplice of a person who commits or attempts to commit any such act, commits an offense of international significance if the act:

(a) is committed or takes effect outside the territory of a State of which the alleged offender is a national; and

(b) is committed or takes effect:

(i) outside the territory of the State against which the act is directed, or

(ii) within the territory of the State against which the act is directed and the alleged offender knows or has reason to know that a person against whom the act is directed is not a national of that State; and

(c) is committed neither by nor against a member of the Armed Forces of a State in the course of military hostilities; and

(d) is intended to damage the interests of or obtain concessions from a State or an international organization.

2. For the purposes of this Convention:

(a) An "international organization" means an international intergovernmental organization.

(b) An "alleged offender" means a person as to whom there are grounds to believe that he has committed one or more of the offenses of international significance set forth in this Article.

(c) The "territory" of a State includes all territory under the jurisdiction or administration of the State.

ARTICLE 2

Each State Party undertakes to make the offenses set forth in Article 1 punishable by severe penalties.

ARTICLE 3

A State Party in whose territory an alleged offender is found shall, if it does not extradite him, submit, without exception whatsoever and without undue delay, the case to its competent authorities for the purpose of prosecution, through proceedings in accordance with the laws of that State.

ARTICLE 4

1. Each State Party shall take such measures as may be necessary to establish its jurisdiction over the offenses set forth in Article 1:

(a) when the offense is committed in its territory, or

(b) when the offense is committed by its national.

2. Each State Party shall likewise take such measures as may be necessary to establish its jurisdiction over the offenses set forth in Article 1 in the case where an alleged offender is present in its territory and the State does not extradite him to any of the States mentioned in Paragraph 1 of this Article.

3. This Convention does not exclude any criminal jurisdiction exercised in accordance with national law.

ARTICLE 5

A State Party in which one or more of the offenses set forth in Article 1 have been committed shall, if it has reason to believe an alleged offender has fled from its territory, communicate to all other States Parties all the pertinent facts regarding the offense committed and all available information regarding the identity of the alleged offender.

ARTICLE 6

1. The State Party in whose territory an alleged offender is found shall take appropriate measures under its internal law so as to ensure his presence for prosecution or extradition. Such measures shall be immediately notified to the States mentioned in Article 4, Paragraph 1, and all other interested States,

2. Any person regarding whom the measures referred to in Paragraph 1 of this Article are being taken shall be entitled to communicate immediately with the nearest appropriate representative of the State of which he is a national and to be visited by a representative of that State.

ARTICLE 7

1. To the extent that the offenses set forth in Article 1 are not listed as extraditable offenses in any extradition treaty existing between States Parties they shall be deemed to have been included as such therein. States Parties undertake to include those offenses as extraditable offenses in every future extradition treaty to be concluded between them.

2. If a State Party which makes extradition conditional on the existence of a treaty receives a request for extradition from another State Party with which it has no extradition treaty, it may, if it decides to extradite, consider the present articles as the legal basis for extradition in respect of the offenses. Extradition shall be subject to the provisions of the law of the requested State.

3. States Parties which do not make extradition conditional upon the existence of a treaty shall recognize the offenses as extraditable offenses between themselves subject to the provisions of the law of the requested State.

4. Each of the offenses shall be treated, for the purpose of extradition between States Parties as if it has been committed not only in the place in which it occurred but also in the territories of the States required to establish their jurisdiction in accordance with Article 4, Paragraph 1(b).

5. An extradition request from the State in which the offenses were committed shall have priority over other such requests if received by the State Party in whose territory the alleged offender has been found within thirty days after the communication required in Paragraph 1 of Article 6 has been made.

ARTICLE 8

Any person regarding whom proceedings are being carried out in connection with any of the offenses set forth in Article 1 shall be guaranteed fair treatment at all stages of the proceedings.

ARTICLE 9

The statutory limitation as to the time within which prosecution may be instituted for the offenses set forth in Article 1 shall be, in each State Party, that fixed for the most serious crimes under its internal law.

ARTICLE 10

1. States Parties shall, in accordance with international and national law, endeavor to take all practicable measures for the purpose of preventing the offenses set forth in Article 1.

2. Any State Party having reason to believe that one of the offenses set forth in Article 1 may be committed shall, in accordance with its national law, furnish any relevant information in its possession to those States which it believes would be the States mentioned in Article 4, Paragraph 1, if any such offense were committed.

ARTICLE 11

1. States Parties shall afford one another the greatest measure of assistance in connection with criminal proceedings brought in respect of the offenses set forth in Article 1, including the supply of all evidence at their disposal necessary for the proceedings.

2. The provisions of Paragraph 1 of this Article shall not affect obligations concerning mutual assistance embodied in any other treaty.

ARTICLE 12

States Parties shall consult together for the purpose of considering and implementing such other cooperative measures as may seem useful for carrying out the purposes of this Convention.

ARTICLE 13

In any case in which one or more of the Geneva Conventions of August 12, 1949, or any other convention concerning the law of armed conflicts is applicable, such conventions shall, if in conflict with any provision of this Convention, take precedence. In particular:

(a) nothing in this Convention shall make an offense of any act which is permissible under the Geneva Convention Relative to the Protection of Civilian Persons in Time of War or any other international law applicable in armed conflicts; and

(b) nothing in this Convention shall deprive any person of prisoner of war status if entitled to such status under the Geneva Convention Relative to the Treatment of Prisoners of War or any other applicable convention concerning respect for human rights in armed conflicts.

ARTICLE 14

In any case in which the Convention on Offenses and Certain Other Acts Committed on Board Aircraft, the Convention for the Suppression of Unlawful Seizure of Aircraft, the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, the Convention to Prevent and Punish the Acts of Terrorism Taking the Form of Crimes Against Persons and Related Extortion that Are of International Significance, or any other convention which has or may be concluded concerning the protection of civil aviation, diplomatic agents and other internationally protected persons, is applicable, such convention shall, if in conflict with any provision of this Convention, take precedence.

ARTICLE 15

Nothing in this Convention shall derogate from any obligations of the Parties under the United Nations Charter.

ARTICLE 16

1. Any dispute between the Parties arising out of the application or interpretation of the present articles that is not settled through negotiation may be brought by any State party to the dispute before a Conciliation Commission to be constituted in accordance with the provisions of this Article by the giving of written notice to the other State or States party to the dispute and to the Secretary-General of the United Nations.

2. A Conciliation Commission will be composed of three members. One member shall be appointed by each party to the dispute. If there is more than one party on either side of the dispute they shall jointly appoint a member of the Conciliation Commission. These two appointments shall be made within two months of the written notice referred to in Paragraph 1. The third member, the Chairman, shall be chosen by the other two members.

3. If either side has failed to appoint its members within the time limit referred to in Paragraph 2, the Secretary-General of the United Nations shall appoint such member within a further period of two months. If no agreement is reached on the choice of the Chairman within five months of the written notice referred to in Paragraph 1, the Secretary-General shall within the further period of one month appoint as the Chairman a qualified jurist who is not a national of any State party to the dispute.

4. Any vacancy shall be filled in the same manner as the original appointment was made.

5. The Commission shall establish its own rules of procedure and shall reach its decisions and recommendations by a majority vote. It shall be competent to ask any organ that is authorized by or in accordance with the Charter of the United Nations to request an advisory opinion from the International Court of Justice to make such a request regarding the interpretation or application of the present articles.

6. If the Commission is unable to obtain an agreement among the parties on a settlement of the dispute within six months of its initial meeting, it shall prepare as soon as possible a report of its proceedings and transmit it to the parties and to the depositary. The report shall include the Commission's conclusions upon the facts and questions of law and the recommendations it has submitted to the parties in order to facilitate a settlement of the dispute. The six months time limit may be extended by decision of the Commission.

7. This Article is without prejudice to provisions concerning the settlement of disputes contained in international agreements in force between States.

TEXT OF DRAFT RESOLUTION

Press release 238B dated September 26

The General Assembly,

Gravely concerned by the increasing frequency of serious acts of international terrorism, inflicting injury and death to innocent persons and inflaming relations between peoples and states;

Deploping the tragic, unwarranted and unnecessary loss of innocent human lives from acts of international terrorism;

Recognizing that the continuation of international terrorism poses a grave threat to the safety and reliability of modern communications between states, including in particular international civil aviation and diplomatic intercourse;

Recognizing that governments have the responsibility to take appropriate steps to assure that all foreign diplomats engaging in normal pursuits and all foreign nationals travelling, visiting or residing abroad are afforded full legal protection against bodily harm or the threat thereof;

Noting the constructive initiative of the Secretary General to place an item on international terrorism before the General Assembly;

Recalling the General Assembly's "Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations" and in particular its statement that

Every State has the duty to refrain from organizing, instigating, assisting or participating in acts of civil strife or terrorist acts in another State or acquiescing in organized activities within its territory directed towards the commission of such acts, when the acts referred to in the present paragraph involve a threat or use of force.

1. *Calls upon* all states as a matter of urgency to become parties to and implement the following international conventions:

a. "Convention on Offenses and Certain Other Acts Committed on Board Aircraft," signed at Tokyo on September 14, 1963;

b. "Convention for the Suppression of Unlawful Seizure of Aircraft," signed at The Hague on December 15, 1970; and

c. "Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation," signed at Montreal on September 23, 1971.

2. *Requests* the International Civil Aviation Organization to pursue as a matter of urgency the drafting of a convention on arrangements for enforcement of principles and obligations embodied in the Tokyo, Hague and Montreal Conventions with a view to the calling of a plenipotentiary conference without delay.

3. *Urges* all states to take immediate steps to prevent the use of their territory or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism.

4. *Calls upon* all states urgently to take all necessary measures within their jurisdiction and in cooperation with other states to deter and prevent acts of international terrorism and to take effective measures to deal with those who perpetrate such acts.

5. *Strongly recommends* that member governments establish procedures for the exchange of information and data on the plans, activities and movements of terrorists, in order to strengthen the capability of governments to prevent and suppress acts of international terrorism and to prosecute and punish those perpetrating such acts.

6. *Calls upon* all states to become parties to a convention on the prevention and punishment of crimes against diplomatic agents and other internationally protected persons based on the draft articles prepared by the International Law Commission.

7. *Decides* to convene a plenipotentiary conference in early 1973 to consider the adoption of a convention on the prevention and punishment of international terrorism and requests the Secretary General to transmit to member states for their consideration the texts of proposed draft articles on this subject submitted to the General Assembly.

8. *Recommends* urgent efforts by all members to address the political problems which may, in some instances, provide a pretext for acts of international terrorism.

President Nixon Addresses Conference on International Narcotics Control

A conference on international narcotics control for senior U.S. narcotics control officials was held at the Department of State September 18-20. Following are remarks by President Nixon made at the opening session of the conference.

Weekly Compilation of Presidential Documents dated September 25

Mr. Secretary and ladies and gentlemen: As I look over the guest list for this conference, I realize that most of you have been attending conferences all of your official lives, and I suppose that when you come to another conference you wonder how this one is different, whether this one is any more important than all the others.

I simply want to say at the outset that I consider this conference to be as important as any that any one of you has ever attended. I consider it certainly as important as any I have ever attended since the period I have been in public life, because winning the battle against drug abuse is one of the most important, the most urgent, national priorities confronting the United States today.

As President of the United States, I feel that I bear no more solemn trust than to help to win this battle, and as public officials, everybody in this room, people who represent America in this country and all over the world, you could not be engaged in a finer humanitarian cause than in winning this battle against drug abuse.

As we all know, the global drug problem is enormously difficult. It doesn't lend itself to immediate or simplistic solutions. Nevertheless, looking back over the three years since I declared total war on drug abuse and labeled it America's "public enemy number one," I think the depth of our national commitment is clear. Our total Federal funding for this effort has increased 11 times over what it was in 1969. It is up to almost three-quarters of a billion dollars of the budget currently pending in the Congress.

From an organizational standpoint, we have mobilized to meet this problem on all fronts. We have set up a Special Action Office for Drug Abuse Prevention to direct the treatment and rehabilitation work under Dr. [Jerome H.] Jaffe. We have also set up in the Department of Justice a new Office for Drug Abuse Law Enforcement to attack domestic distribution and pushers, and I have named a Cabinet Committee on International Narcotics Control which coordinates our worldwide campaign to cut off the sources of supply.

Here we are attacking the problem therefore on all fronts in the most effective way that we can through our various government agencies.

I also have assumed some personal responsibilities. I have been deliberately cracking the whip, as many of you in this room know, in my personal supervision of this program,

and I will have to admit that we have knocked some bureaucratic heads together because of my directive, which I gave in the East Room two years ago, that government agencies should quit fighting each other about this problem and start fighting the problem.

I wanted to see some solid results coming through in terms of saving the lives of thousands of young people who otherwise would have become hopeless drug addicts. And now we can look at some of the results. We can view them not with complacency, but with some pride and also with the determination to go forward to get even better results in the future.

Dr. Jaffe, in his field, reports that we have created more federally funded drug treatment capacity in the past year than in the 50 years before that. We now have the capability to treat over 100,000 drug addicts in these programs.

If the Congress approves the pending drug-funding request, we should have the capacity, if needed, to treat a quarter of a million heroin addicts in America by this time next year.

Now, that, of course, is a sobering number—the fact that we might need the capacity to treat a quarter of a million indicates the enormity of the problem and the need to work on it, not only on the treatment area but also particularly in the source of the supply and in the enforcement area.

Turning to the law enforcement area, the number of arrests of drug traffickers in this last fiscal year was double the number in 1969. The seizures of heroin and other illicit drugs are at an alltime high. But as I have told those who have reported to me just within the last month on this, this isn't good enough. We have to double the number, triple the number, and go from there to a complete victory over those who are engaged in this illicit trade.

Very sharp recent increases in the prices of heroin throughout the eastern United States indicate that the supply is drying up and that the pressure is on the criminal drug trade. And I can assure all of you, and I can assure those who may be the subject of—

those who might be prosecuted, that we are going to keep the heat on until the despicable profiteers in human misery are driven out of their hiding places and are put in prison, where they belong. Nor will this effort stop at our own borders.

The men and women who operate the global heroin trade are a menace not to Americans alone but to all mankind. These people are literally the slave traders of our time. They are traffickers in living death. They must be hunted to the end of the earth. They must be left no base in any nation for their operations. They must be permitted not a single hiding place or refuge from justice anywhere in the world, and that is why we have established an aggressive international narcotics control program in cooperation with the governments of more than 50 countries around the world. That is why I have ordered the Central Intelligence Agency, early in this administration, to mobilize its full resources to fight the international drug trade, a task, incidentally, in which it has performed superbly.

Let me interject here a word for that much-maligned agency. As I have often said, in the field of intelligence we always find that the failures are those that are publicized. Its successes, by definition, must always be secret, and in this area there are many successes and particularly ones for which this agency can be very proud.

The key priority here is to target on the traffickers wherever they are, to immobilize and destroy them through our law enforcement and intelligence efforts, and I commend all of you on the fine initial progress which has been made in these programs.

France, Paraguay, Laos, Thailand, Turkey, are just a few examples of the many countries where the work of American officials, from the Ambassadors down, throughout the Embassies abroad, in partnership with local officials has produced important breakthroughs—huge heroin seizures, key arrests, and in the case of Turkey, the courageous decision to eradicate the opium poppy itself. And that action, incidentally, is a great tribute not only to that govern-

ment but to our own government and particularly to those in the State Department and in the Embassy in Turkey who worked on this problem.

The people of the United States, especially the young people, are profoundly indebted to you, all of you in this room, most of whom I will not have a chance to meet personally, to thank personally for what you have worked on and what you have done. And yet, we have to do a lot more, as you all know, to win this war, and we must do it with even more of a sense of urgency than in the past.

In working on narcotics control around the world, I want you to convey this personal message from me to the foreign officials with whom you may be meeting: Any government whose leaders participate in or protect the activities of those who contribute to our drug problem should know that the President of the United States is required by statute to suspend all American economic and military assistance to such a regime, and I shall not hesitate to comply with that law where there are any violations.

I consider keeping dangerous drugs out of the United States just as important as keeping armed enemy forces from landing in the United States. Dangerous drugs which come into the United States can endanger the lives of young Americans just as much as would an invading army landing in the United States. Every government which wants to move against narcotics should know that it can count on this country for our wholehearted support and assistance in doing so.

Three years ago the global heroin plague was raging almost completely out of control all over the world; time was running out for an entire generation of our children, the potential drug victims of the next few years.

But then we launched our crusade to save our children, and now we can see that crusade moving off the defensive, on to the offensive, and beginning to roll up some victories in country after country around the

world and in the United States as well.

And what is our goal now? We are living in an age, as we all know, in the era of diplomacy, when there are times that a great nation must engage in what is called a limited war. I have rejected that principle in declaring total war against dangerous drugs.

Our goal is the unconditional surrender of the merchants of death who traffic in heroin. Our goal is the total banishment of drug abuse from American life. Our children's lives are what we are fighting for. Our children's future is the reason we must succeed.

We are going to fight this evil with every weapon at our command, and with your help and the support of millions of concerned Americans, we are going to win.

Senate Confirms U.S. Delegation to 27th U.N. General Assembly

The Senate on September 8 confirmed the nominations of the following to be representatives of the United States to the 27th session of the General Assembly of the United Nations:

Gale W. McGee, U.S. Senator from the State of Wyoming

James B. Pearson, U.S. Senator from the State of Kansas

The Senate on September 15 confirmed the nominations of the following to be representatives and alternate representatives:

Representatives

George Bush
Christopher H. Phillips
Jewel Lafontant

Alternate Representatives

W. Tapley Bennett, Jr.
Julia Rivera de Vincenti
Gordon H. Scherer
Bernard Zagorin
Robert Carroll Tyson

The Choice Before Us

Address by Willis C. Armstrong

*Assistant Secretary for Economic and Business Affairs*¹

We are at an interesting point in the history of our foreign economic relations. A year ago the international community was in the throes of fundamental economic change. Many governments saw themselves in a dilemma, torn between their interest in stability and order in international financial matters and their sincere desire to avoid unnecessary sacrifices or costs. The U.S. Government was faced with the colossal task of convincing other governments, as well as its own business community, that it was essential to close the gold window, to enforce a wage-price freeze, and to put a temporary surcharge of 10 percent on imports. It called for an adjustment of exchange rates which would acknowledge economic realities too long hidden behind curtains of conventional conversations.

It is now a year later. We need to take stock of where we are as we approach critical World Bank-IMF [International Monetary Fund] meetings which start next week. What has happened in the past year to promote progress toward a better international monetary and trade system? What further steps need to be taken? What can the United States do for itself? In what respects does it need the help of others? What are the attitudes of other countries? Do we have a real chance for a world in which there are minimal barriers to trade and investment, a world where the multinational

corporation can effectively perform the services it is so eminently qualified to offer?

Many of you may have seen a review in a recent Sunday New York Times of two books about the administration's economic policies. They were critical books, and I shall refrain from giving their authors and publishers any free advertising. What I would like to mention is the review, written by Professor Harry Johnson, a Canadian who has had the best that the academic worlds of Canada, Britain, and the United States could offer. He is better known for the sharpness of his intellect, tongue, and pen than for the tolerance with which he views governments' efforts to deal with the economic environment. He starts out by calling the two books "the embalmed reaction of conventional wisdom." He calls the new economic policy "brilliantly devised" and goes on to say that it was most important for its international aspects. I forbear to quote the most relevant paragraph, lest some European diplomat should be listening, but what it says is essentially as follows:

The dollar had been overvalued, with cumulatively adverse effects on our international position. The Europeans, busy with their own affairs, did not mind letting the United States suffer the consequences in terms of unemployment and the loss of technological leadership in the world. By closing the gold window and imposing the import surcharge, the U.S. Government forced the Europeans off their comfortable perch and suggested that they display some world-minded leadership, of which they proved incapable. They now know that they have to

¹ Made before the Pharmaceutical Manufacturers' Association at White Sulphur Springs, W. Va., on Sept. 18.

go a long way before they measure up to the requirements of world leadership—or as the author puts it, “before they can put their money where their mouth is.”

So much for a general assessment. The measures taken in 1971 were born of political and economic necessity. The monetary system needed shaking up, an awareness of the need for equilibrium had to be induced, and serious attention to the international trade system had to be encouraged. The domestic economy needed a greater sense of security and a better chance for real growth.

When we review the past year, let us recall several important accomplishments. In the first place, an agreement was reached last December on a new pattern of exchange rates, more realistic and reasonable and more equitable for the dollar.² This agreement has not operated perfectly, but it is accepted by most major governments. It is too early to identify any spectacular results—but a reflow of capital to the United States was underway before the British pound was floated early this summer, and the fundamental monetary conditions for a change of direction in our balance of payments have been established. But we should note that the Smithsonian agreement was never meant to be permanent; it is not a definitive solution to the international monetary problem. It is, rather, a transitional arrangement designed to pave the way for reform. Furthermore, by now the leading financial powers have agreed on a forum in which basic international monetary reform will be considered, and serious work on such reform is underway.

Secondly, the surcharge was withdrawn at the time of the Smithsonian agreement, fulfilling the commitment of the U.S. Government to remove it as soon as possible, once progress in the monetary field justified it.

In the third place, bilateral discussions with the European Community and Japan

have yielded significant results in increased export opportunities for us. Furthermore, and far more importantly, we have agreements with the European Community and Japan that we should engage in trade negotiations looking toward a mutual reduction in barriers, beginning in 1973. Many other industrialized countries, including Canada, have associated themselves with this endeavor. We have made it clear that such negotiations should include expanded opportunities for American agricultural as well as industrial exports.

Fourth, our domestic measures of last year have been followed by excellent results in 1972 in the way of growth of the domestic economy, increased investment, improved productivity, and a distinct lessening in the rate of inflation, so that now we are well ahead of Europe and Japan in our struggle with this constant and relentless antagonist. Employment is at a peak, although admittedly unemployment remains a problem due to a rapid increase in the labor force. Our efforts at greater productivity and efficiency in our own economy are essential for our international position. If we are not productive and efficient we cannot rectify our balance of payments deficit and reduce or eliminate our trade deficit. The new currency arrangements, the detachment of the dollar from gold, and the plans for improved opportunities for our exports are worthless if we do not have goods to export to customers, goods that can be sold on a competitive price and quality basis. The Smithsonian agreement is not a free lunch, but an opportunity.

Finally, we have dealt with specific problems arising from excessively rapid import growth. The textile problem is a familiar one, and agreements have been negotiated with major suppliers to moderate growth. Arrangements of a temporary and similar nature have been made for a few other products. We obviously need better and more equitable adjustment mechanisms, and the Congress and the executive branch have been giving careful attention to this situation.

² For background, see BULLETIN of Jan. 10, 1972, p. 32.

This is a creditable record of accomplishments. President Nixon and the executive branch of the government have been working toward these ends during the past year and have been shaping our course for the future along these lines. The Council on International Economic Policy is the coordinating mechanism. Active contact with our major trading and financial partners is being maintained, and we are constantly striving for better opportunities for American business and for the American worker. What are the prospects for the future?

Let me begin with the topic last mentioned—adjustment assistance, or an adjustment mechanism to deal with problems arising from excessive or unusual surges in particular imports. Obviously an affluent society with a good social conscience will not abandon people deprived of jobs through little direct fault of their own. It must and should help them make an adjustment to a different line of activity. But a fine balance is necessary. If we pay too much attention or give too much help or protection to industries disadvantaged by foreign competition, we raise costs for our economy and make ourselves less efficient in the export field. Furthermore, change is constant, and a decline in demand for goods is not by any means always attributable to foreign competition. There are changes in style, in ways of living, and in domestic competitive conditions. The basic question here is our fundamental direction: Do we want a high-cost economy, with contracting international trade? Or do we want an expanding and growing economy, with better opportunities for labor, business, and the consumer? This is the choice.

The choice is an easy one for an audience such as this, or for any other forward-looking business group. But there are many who think otherwise. They think it possible to reduce imports, restrict our investments overseas, keep our technology at home, and expect other countries not to take counter-action against us. They also assume that

American companies would increase investment at home to the extent that they decrease investment abroad. Many people assert that this kind of economic "fortress America" is feasible. To my mind there is not the slightest bit of evidence to support such a naive view—as I am sure everyone here would agree. Such a program would have severe repercussions on our exports and our balance of payments and would doubtless limit severely our individual choices of consumer products and services.

This is our problem at home: to work for an outward-looking, competitive, and expanding economy, as against an economy loaded with restrictions and costs, which would penalize its most productive investment sector—the foreign—without improving the domestic economy. The inward-looking alternative is unthinkable for what is now the world's richest country with the greatest productive capacity, but we could easily slip into it by self-indulgence and by yielding to the importunings of the protectionist.

Future International Economic Relations

We have serious problems in our external economic relations. Our friends and trading partners are also our competitors. We and the European Common Market protect our domestic markets at about the same level—except in the agricultural sector, where European protectionism is far more severe and economically quite unjustified. We and the expanded Common Market need to proceed with confidence to reduce the barriers to our mutually profitable trade, and we also have every reason to ask that the European Community phase out the preferential arrangements it has made with countries in Europe, in the Mediterranean, and elsewhere.

We have a different set of problems with Japan. There our difficulties lie in the co-operative system operated by the Japanese Government and industry which has such protectionist effects. We have been steadily pressing the Japanese to give us better op-

portunities to sell exports and to make investments in their economy. We are making some progress as a result of continual diplomatic contact. The talks at Hakone in July and the Honolulu summit at the end of August helped our Japanese friends recognize that their enormous trade surplus and our trade deficit are common problems which require action by both of us. We are not suggesting that the Japanese make themselves less efficient, but we do suggest that they give us a chance to sell and invest in Japan on competitive terms. Our friends in Japan now have no difficulty recognizing that the alternative might well be limitations on their access to the lucrative U.S. market.

The quality and nature of our future foreign economic relations will be determined by the response of the American economy to the challenge of competition from other industrial societies, once weakened by war but now fully mature and highly productive. The U.S. Government has been and is doing its best to improve opportunities and to remove barriers to trade and investment. It is also seeking through domestic policies to encourage productivity and efficiency. There are many social and economic forces at play in our country which would press us in an opposite direction, often for good social or moral reasons. We cannot, however, allow these forces to become so dominant that we go out of business. It is true that the government has great concern for the environment, for social welfare and education. The growth and efficiency of the American economy is, however, essential if social goals are to be achieved. We also have a determination to advance and promote private international trade and investment of the kind that confers long-term benefits on the American economy.

The response of our friends in other countries to the problems of the future is just as important as the responses of business, workers, and consumers at home. If other countries restrict our investments, render them unprofitable by regulation, or nationalize them, they cannot be surprised if the result is a diminished flow of capital

and reduced market access. If they decline to reciprocate the trade expansion measures we offer, or if they deny us trade opportunities to which we have rights under GATT [General Agreement on Tariffs and Trade] or other trade arrangements, they cannot properly expect our government to be successful in resisting protectionist pressures at home. If other governments take a narrow view of the needs of the world for a revised monetary system, they would only perpetuate the sort of conditions which make for a lack of mutual confidence. If other governments in surplus positions in international balance of payments expect deficit countries to bear the full burden of adjustment, they cannot be surprised if the United States is not responsive or, in their judgment, not forthcoming. Furthermore, if other countries fail to respect the rights of private individuals and corporations to industrial and intellectual property, they cannot expect to share in the expansion of the frontiers of knowledge and the benefits of scientific research and development undertaken under private enterprise in the advanced countries.

Apprehensions About Change

The values of an international economic order with minimal restrictions on the flow of investment and goods are readily apparent to business groups such as yours, to foreign offices, and to ministries of finance, commerce, and economics the world around. We all perceive that the world's needs—which are enormous and growing—can best be met by a free, flexible, efficient economic system which includes the multinational corporation as a major component for its successful operation. People who look at the international economic system in this way are our present-day “one worlders,” pragmatic rather than utopian, profoundly convinced they are right, and surprised when they are challenged.

The challenge comes from critics who say that the multinational economic system benefits people in some countries more than

it does people in the neighborhood of the critic. Since the working of the system is largely invisible and since there is always room for improvement in everyone's lot, the critics' views are hard to disprove, or for that matter, to prove.

If these critics prevail upon governments to take action against multinational companies, they are in fact acting to fragment and render less efficient the international system of which the company is the agent and manifestation. If enough countries take such action, there will be no system, and we shall go back to a fragmented world torn by economic strife and less able to satisfy human needs. The critics of the international system are not limited to less developed countries nor to the other developed countries; they are among us as well. Their attitude may in part be a natural human reaction against the complexity, intangibility, and anonymity of modern society, with a nostalgic longing for something simple like the farm, the country store, the railroad station, and the friendly neighbors—all of which seem somewhat to be under attack by an impersonal urban mass society. But the problems of an international economic system are not susceptible to a cut-and-run solution. Solution by sentiment is not a substitute for the application of the intellect. Reason tells us that a broad-gauged international approach is the only one that will really work. But it cannot work unless it has support. Many business organizations are doing an excellent job of explaining the international economic system and its benefits. Many firms and associations have done yeoman service in presenting the internationalist case. The material prepared and presented by these groups pleases those who are already convinced, but there are countless people in this country who are inclined to disagree and who have not been exposed to the internationalist case. Thus the critics have a very plausible line which touches the heartstrings of human sympathy and simple patriotism.

Part of the problem is that the rate of

change and number of changes have become so great in recent years, leaving many people baffled and confused. It is easier to blame some impersonal business organization, to demonstrate that this organization used to have a plant in one's town, that the plant is now closed, and that the organization has opened a plant in some foreign country where the wage level is lower than in the United States. What is not recognized is that the organization usually has expanded investment in the United States as rapidly as it did abroad. It may also not be recognized that the organization has become more profitable and hence more able to contribute to American growth, employment, and income as a result of its participation in international trade and investment. There are some fantastic ideas in the minds of people in many parts of the world concerning the rate of profit of large multinational enterprises. It is seldom realized that this rate of profit is often very modest, despite the extraordinary assertions and assumptions which one may find among people who are otherwise quite sophisticated and well informed. By the same token, little credit is given to corporations by our social critics for the amount of taxes they pay and for the support they thus render to the general objectives of our society.

This apprehension about change, and about the anonymity and impersonal forces of change, appears in other countries as well. Discussions of such matters occur in Canada, in Japanese circles, in the European Common Market, and notably in developing countries.

It is interesting and revealing to observe that today the Communist countries, whose policies have always rejected the "one-economy world" approach, are now casting envious eyes at the countries which have benefited tremendously from the still-imperfect operation of the international economic system. It was a privilege for me to be with Secretary of Commerce Peterson on our recent visits to Moscow and Warsaw. On the trip we learned much of the new aspira-

tions of the Communist economic planners. What these people now want are credits to enable them to acquire the advanced technology and modern managerial processes of the multinational business system. In their groping toward this goal they are rejecting, in part, their previous nationalistic and restrictive approach, and they are recognizing that the world of the capitalist, or mixed, economy may have something they desperately need. Thus, in a gingerly way the Communist countries have begun to look at and appreciate the benefits of the international economic system. It is paradoxical that this comes at a time when serious doubt has arisen among us and when the critics and opponents of our system are at their most vociferous.

This is the choice we all face. Are we to have a wider world with expanding economies and better payrolls, better benefits for people everywhere, and minimal barriers to trade and investment? Or are we to retreat into high-cost and protected-island economies, unable to bring about the kind of change we want, incapable of meeting the social and economic needs of our own and other peoples? Our own and the other peoples have to give the answers.

A final word about foreign policy in general. The United States is a leading world power. It expects to remain so. Our policy is dedicated to a generation of peace, as President Nixon has so aptly said. Peace means expanded contacts with all countries and a policy of live-and-let-live among the competing economies and ideologies. It means a recognition of the interdependence of economies and countries, of the reality of one world in international economics, and an awareness of the benefits for the peoples of the world—especially our own—to be derived from expanded trade and investment. An outward-looking political foreign policy needs an economic policy which is equally outgoing and constructive. A strong foreign policy cannot work without a strong and healthy economy. We cannot have a strong

economy except in the framework of a more open and independent world where our own capacity to produce is enhanced by our competitive opportunities.

161st Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Ambassador William J. Porter, head of the U.S. delegation, at the 161st plenary session of the meetings on Viet-Nam at Paris on September 28.

OPENING REMARKS

Press release 246 dated September 28

Ladies and gentlemen: It was with gratification that we learned nearly a month ago of North Viet-Nam's intent to release three American prisoners of war, though our satisfaction was tempered somewhat by the small number of men to be released and by your failure to repatriate any of the sick and wounded Americans you hold captive.

Those who believed this might be a goodwill gesture, a step toward peace, were quickly disillusioned, for it soon became evident that a very cynical exploitation of the event had been organized.

First, the long period between the announcement and the actual repatriation—nearly four weeks—caused needless additional anxiety to the families and friends of the prisoners.

Second, the stipulation that certain prescribed escorts must go to North Viet-Nam to accept the prisoners and accompany them home established a politically directed form of custody antithetical to the spirit of the Geneva Convention.

Third, the formulation of successive preconditions and requirements by North Viet-Nam, as expressed through the designated

escorts, curtailed the prisoners' liberty to travel after their supposed "release" September 17.

Fourth, the ensuing prolonged tour of North Vietnamese locations, to the accompaniment of intense propaganda, caused yet another delay in repatriation and constituted further exploitation of the men in clear violation of article 13 of the Geneva Convention, which explicitly prohibits the type of public exposure to which these prisoners have been subjected in North Viet-Nam.

Fifth, the deliberately circuitous routing chosen for the released prisoners was in callous disregard of the former captives' expressed wishes to return to their homeland and to their families as soon as possible.

How striking is the difference between your handling of this affair and that of the Government of the Republic of Viet-Nam, which recently offered a speedy repatriation of 600 of your sick and wounded men without exposing them to public curiosity or propaganda exploitation.

The United States protests vigorously against your practices which have once again demonstrated your disregard for international law, human rights, and for your signed obligations.

Please do not underestimate the effect of this kind of thing. It has had and will continue to have an effect on negotiations for a peace settlement, for it affects adversely the confidence which provides the basis for progress. You must understand that such flagrant examples of disregard for agreements signed, and understandings arrived at, breed marked doubt and hesitation when you state that you would enter into future agreements and understandings in good faith. If that is so, why not give a demonstration of your willingness to observe one particular convention which bears your signature already, the one I have referred to today, the Geneva Convention on Prisoners of War? You could do yourselves and others a great deal of good

if you would make it known that as a token of good will and to demonstrate your desire for a reasonable settlement of the war, you will adhere strictly to the provisions of that convention.

ADDITIONAL REMARKS

Press release 246A dated September 29

You have declared that I am evading the important matters you have raised. However, for the past two sessions I have outlined for you some of the major questions concerning your proposals. I requested your comments and clarifications, but your responses were limited to more readings of your September 11 text. You will not make your proposals acceptable by repeating them. You will have to explain them. If you cannot do that satisfactorily they will be as useless as your other proposals, all to the same effect, that you have presented in the past.

As to prisoners, we know that they are unimportant to you, except for propaganda and political purposes, whether they are your men or ours. We on the other hand consider them a most important human matter which should be dealt with on the basis of the Geneva Convention. They are a main issue, not a side issue, and we won't let you forget that.

To demonstrate our continuing effort to extract essential detail concerning your proposals, let me ask you now to make one very important, indeed crucial, clarification. Will you tell us what you envisage the role of the North Vietnamese army would be during the various stages of your proposals and, especially, when it would return to North Viet-Nam? Please don't refer me to your past statements. It is precisely because they are vague and entirely unsatisfactory that this all-important question must be answered without ambiguity.

Department Urges Senate Advice and Consent to Ratification of Montreal Convention on Aviation Sabotage

*Statement by Charles N. Brower
Deputy Legal Adviser¹*

A little over a year ago President Nixon transmitted to the Senate the Convention for the Suppression of Unlawful Seizure of Aircraft, the Hague Hijacking Convention, and urged that it be given early and favorable consideration in order to permit its early ratification.² Ratification by the United States on September 14 [1971], the 10th state to ratify which participated in the international conference at The Hague, brought the convention into force. There are now 42 parties to this convention.

The Hijacking Convention, you will recall, established a fundamental rule of law with respect to state responsibility for assuring apprehension and punishment of hijackers: Whenever a hijacker is found within the territory of a party to the convention, that state must take him into custody and, if it does not extradite him, submit the case to its competent authorities for the purpose of prosecution "without exception whatsoever, and whether or not the offence was committed in its territory." This basic extradite-or-prosecute obligation, applicable to all parties regardless of where the offense takes

place, is designed to deny to hijackers sanctuary anywhere in the world.

At the time of testifying last year we referred to a related convention that was under study, a companion convention to the Hijacking Convention covering other acts of violence directed against international civil aviation—sabotage, terrorist attacks against passengers, destruction of aircraft. That convention, the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, was formally adopted at an international conference at Montreal which met a year ago from September 8 to September 23.³ Once again, President Nixon has urged that it be given early and favorable consideration in order to permit its early ratification.

The Montreal Convention was conceived in response to two attacks on international air flights occurring on February 21, 1970—sabotage of a SWISSAIR flight which killed all persons on board the aircraft and sabotage of an Austrian Airlines flight which seriously damaged the aircraft. The acts were planned and perpetrated by terrorists against flights to Israel. The basic purpose of the convention is to impose the same rigorous requirements upon contracting states as the Hijacking Convention does: require contracting states to take into cus-

¹ Submitted to the Senate Committee on Foreign Relations on Sept. 22. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

² For text of the convention, see BULLETIN of Jan. 11, 1971, p. 53.

³ For U.S. statements and text of the convention, see BULLETIN of Oct. 25, 1971, p. 464.

tody and extradite or prosecute saboteurs and armed terrorists who attack passengers and aircraft, regardless of where the acts take place. The convention represents a unified response of the world aviation community and a willingness of nations to take exceptional measures to deal with these acts.

No one can pretend to claim that the Montreal Convention will by itself bring a complete end to sabotage and other acts of terrorism. It is, however, a basic step that must be taken by the international community to help cope with the wave of attacks which have been directed against passengers and aircraft: It declares that perpetrators of these crimes are world outlaws and, when the convention is widely ratified, will mean relentless pursuit of such criminals by the world community.

Negotiation of the Convention

The United States has spearheaded efforts to develop the Montreal Convention. In June of 1970 an Extraordinary Assembly of the International Civil Aviation Organization (ICAO) was convened to consider the problem of aviation security, on request of 11 European states following the sabotage of the SWISSAIR and Austrian Airlines aircraft. In advance documentation to the Assembly, the United States proposed that an international convention be drawn up at the earliest possible moment to apply the Hijacking Convention rules to other criminal attacks against civil aircraft. The Assembly adopted a resolution based on a draft cosponsored by the United States and 11 other countries which directed the International Civil Aviation Organization's Legal Committee to meet and prepare as a matter of first priority on its work program a draft convention on acts of unlawful interference against international civil aviation other than hijacking, with a view to adoption at a diplomatic conference within a year. The Organization's normal rules of procedure on study of draft conventions were waived, and the Legal Committee met in late September 1970 in London to prepare the draft conven-

tion. At the end of the one-month meeting the draft was transmitted to the ICAO Council with a recommendation that it was ready for presentation to states as a final draft. The September 1971 diplomatic conference at Montreal was then scheduled.

The main objective of the U.S. delegation at the Montreal Conference was to assure that the strict rules of the Hijacking Convention would be applied to the acts covered in the Sabotage Convention. Most importantly, this meant application of the universal-jurisdiction provision, in order to eliminate all sanctuaries for offenders. The delegation was successful in achieving this goal, for the vast majority of crimes covered by the convention which involve death or injury to passengers or crew, and destruction of aircraft, must be made punishable by all contracting states no matter where such acts take place. The universal-jurisdiction provision does not, however, apply to the acts described in subparagraphs (d) and (e) of article 1, damage to or interference with air navigation facilities and communication of false information.

A second major objective of the U.S. delegation was to assure that the convention applied to attacks against aircraft on domestic flights as well as aircraft on international flights. This issue had been resolved in the Hijacking Convention by simply applying the convention to all flights in which the place of takeoff or actual landing was outside the state of registration of the aircraft. Since hijackings in almost every case involve a diversion of an aircraft from one state to another, such a provision was sufficient to cover the cases of international significance. The U.S. delegation argued that the same provisions in a convention covering acts of sabotage would be inadequate: It would mean that the convention would apply to terrorist groups which entered a country and planted bombs on international flights and then escaped but would not apply if they selected domestic flights. This distinction, in the United States view, could not be justified in any circumstance. The conference ultimately agreed with this analysis and ap-

plied the convention to any case in which offenders were found outside the territory of the state of registration of the aircraft.

The Montreal Conference was attended by 60 countries. There was broad representation from all areas of the globe. The convention was adopted by a vote of 50 votes in favor, none opposed, and 8 abstentions. It was immediately signed by 31 states including the United States. It has since been signed by 17 other countries, and 10 states have ratified or acceded to it. It will enter into force when the 10th ratification by a state participating in the conference is deposited. At present there are six such ratifications.

The Montreal Convention was done in record time—less than 18 months from its initial conception to formal adoption—and is indicative of the capability of the international community to respond with alacrity and vigor, and with a broadly acceptable solution, to an urgent need.

Major Provisions of the Convention

I would like to outline very briefly the major provisions of the convention.

The Montreal Convention applies to a series of offenses described in article 1 of the convention. The delimiting factor of the convention is that all of the offenses pertain to acts against aircraft in use in air transportation or against passengers or crew in air transportation. Thus the convention derives its title, the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation.

Subparagraph (a) of paragraph 1 covers acts of violence against persons on board aircraft in flight which are likely to endanger the safety of the aircraft. This covers, for example, use of firearms, but would not cover mere acts of disorderly conduct among passengers.

An aircraft is defined to be in flight from the moment when all its external doors are closed following embarkation until the moment when any door is opened for disembarkation. In the event of hijacking the

flight is deemed to be continued until the competent authorities where the plane lands assume responsibility for the aircraft and the persons and property on board. This definition is the same as found in the Hijacking Convention.

Subparagraph (b) of paragraph 1 covers destruction and serious damage of aircraft in service. Serious damage is damage short of total destruction, but so serious that the aircraft cannot be flown again. An aircraft is considered to be in service from the moment preflight preparation begins until 24 hours after landing and includes the entire period the aircraft is in flight. The subparagraph does not cover aircraft which are simply sitting at a runway and are not being regularly used for flights, nor aircraft being repaired, after the 24-hour period following the last landing has expired. This subparagraph also covers damage to an aircraft which is likely to endanger its safety in flight. The purpose is to cover certain kinds of aircraft sabotage such as cutting wires or loosening wheel bolts.

Subparagraph (c) of article 1 is a symbolic provision referring specifically to bomb sabotage. As a matter of substance the acts described are covered in subparagraph (b) and the paragraph on attempts.

Subparagraph (d) of article 1 covers acts of destruction or damage of air navigation facilities, and interference with aeronautical communications, which are likely to endanger the safety of aircraft in flight. The purpose of this provision is to cover acts at airports, such as damage to runway lights or radar installations, which an aircraft is using to effect a takeoff or landing. The convention is limited to such acts against facilities which are used in international air navigation. It thus covers all major airports, but would not cover, for example, acts of vandalism at a small local airport servicing private aircraft.

Subparagraph (e) of article 1 is concerned primarily with bomb hoaxes. The act is a convention crime if, in communication of the false information, an aircraft is in fact endangered.

The convention also covers attempts and accomplices of persons who commit or attempt to commit the convention crimes.

The convention does not apply to aircraft used in military, customs, or police services. This is in accordance with the usual practice of limiting international air law conventions to civil aircraft. The convention applies irrespective of whether the aircraft is engaged in an international or domestic flight. If the offense is committed in the territory of a state other than the state of registration of the aircraft or if the place of takeoff or landing, actual or intended, of the aircraft is situated outside the territory of the state of registration, it is covered by the convention. In addition, with respect to the acts described in subparagraphs (a), (b), (c), and (e) of paragraph 1 of article 1, the convention also applies whenever the offender is found outside the territory of the state of registration of the aircraft.

The penalties and universal-jurisdiction provisions are among the most important in the convention.

Each state undertakes to make the offenses punishable by severe penalties. With respect to the acts described in subparagraphs (a), (b), and (c) of paragraph 1 of article 1, and for attempts and accomplices, each state is required to take steps to establish its criminal jurisdiction to cover cases where an offender is present in its territory, regardless of where the act takes place.

Legislation will shortly be presented by the Department of Justice to align our domestic law fully with the convention directives.

I have described for you basically articles 1-5 of the convention. The convention covers virtually every armed terrorist attack and act of sabotage which is today directed against civil aviation and applies the universal-jurisdiction provision to them. The provisions on air navigation facilities and bomb hoaxes, acts which have not posed the same degree of threat to civil aviation as the others, are somewhat restricted by comparison; but these restrictions were accepted in order to gain wide acceptance for the strong

Hijacking Convention rules. The remaining articles, 6-16, for the most part find exact counterparts in the Hijacking Convention.

Under article 6 each state is obliged, when it is "satisfied that the circumstances so warrant," to take an offender into immediate custody or to take other measures to insure his presence for such time as may be necessary to enable criminal or extradition proceedings to be instituted.

This language implies a certain flexibility in cases where there is little or no evidence to support placing a person in custody. Once the decision is made that the circumstances warrant taking the hijacker into custody, however, there is no exception to the obligations on contracting states that flow from action under this article; namely, notification to the other states specified in the convention and extradition or submission to prosecution.

Article 8 amends existing extradition treaties, all bilaterals in the case of the United States, to include the offenses as extraditable offenses and also provides that the offenses shall be extraditable offenses between states which do not make extradition conditional on an extradition treaty. The provisions of the convention relating to extradition in the absence of treaty are not applicable to those countries, like the United States, which by law cannot extradite except pursuant to treaty.

Since many existing extradition treaties are limited to offenses that occur within the territory of the state requesting extradition, the convention also, in effect, amends such treaties to expand what is to be considered "territory" for purposes of extradition.

If a state in which an offender is found does not extradite him, that state is obligated, under article 7, "without exception whatsoever, and whether or not the offense was committed in its territory, to submit the case to its competent authorities for the purpose of prosecution." These authorities are required to make their decision whether or not to prosecute in the same manner as for serious ordinary offenses under their own laws.

These provisions of the convention, taken together, provide the basic deterrent—the risk to any saboteur or armed terrorist who enters any one of the contracting states that he will be taken into custody and either be extradited to another state or prosecuted where he is found.

The convention requires that, when a state has taken an offender into custody, it shall immediately notify certain states, including the state of registration of the aircraft and the state of nationality of the offender. In addition, each state is required to report to the Council of the International Civil Aviation Organization relevant information concerning an offense, the release of passengers, crew, cargo, and aircraft, and the results of any extradition or other legal proceedings.

The final clauses, including a clause allowing ratification or accession by all States, exactly parallel the Hijacking Convention provisions.

"Joint Action" Convention in Preparation

Before concluding I will just mention one other related international convention in the process of preparation. I noted at the beginning of my statement that the Hague and Montreal Conventions were not complete solutions to the problem of air terrorism, but fundamental steps by the international community which must be taken to deal with the problem. Another important step facing the international community is to assure that the extradite-or-prosecute obligation is generally accepted by aviation states. It is only with such assurance that air terrorism can be expected to be fully deterred—when sanctuaries for terrorists are eliminated.

Two years ago President Nixon requested the international community to consider a convention which would call for concerted action against states which do not act to punish hijackers—joint action to boycott air services to states which offer themselves as sanctuaries.⁴ The United States presented a draft to the ICAO Legal Committee for

study, and the United States and Canada jointly presented a draft convention to a subcommittee of the Legal Committee in April 1971 established to study the subject. The convention was pigeonholed by the Organization in June 1971 at the meeting of the Assembly.

This year, in June, in the presence of a new wave of terrorism in the skies, a U.S.-introduced resolution to convene a Special Subcommittee to begin work immediately on a convention on joint action was passed by the Council by a vote of 17-1. The subcommittee met in Washington, D.C., at the State Department, for the first two weeks in September. A draft convention has been prepared, and the work of the subcommittee has been referred to the Legal Committee with the recommendation that the committee be convened as soon as possible.⁵

We believe that this recent progress on a "joint action" convention—a convention to enforce the principles of the Tokyo, Hague, and Montreal Conventions by boycott action against states which do not punish hijackers and air terrorists—is evidence of an increasing awareness by the international aviation community that extraordinary measures may be necessary in these times to promote a secure development of international civil aviation. We believe there is an increasing awareness by the international aviation community that it may have to act as a unit—and isolate from its membership, if necessary, states which do not observe basic rules necessary for the preservation of the civil aviation system.

We are hopeful that the ICAO Council, following up on the decision it took in June to convene the Special Subcommittee, will shortly call for consideration of the subcommittee's work on an expedited basis.

⁴ For a statement by President Nixon issued on Sept. 11, 1970, see BULLETIN of Sept. 28, 1970, p. 341.

⁵ For background, see BULLETIN of Oct. 2, 1972, p. 357.

Consular Conventions Transmitted to the Senate

Following are the texts of President Nixon's messages dated September 19 transmitting to the Senate the consular conventions between the United States and the Polish People's Republic, the Socialist Republic of Romania, and the Hungarian People's Republic.

CONVENTION WITH POLAND

White House press release dated September 19

To the Senate of the United States:

I am pleased to transmit for the Senate's advice and consent to ratification the Consular Convention between the Government of the United States of America and the Government of the Polish People's Republic, with Protocols, signed at Warsaw on May 31, 1972, on the occasion of my recent visit there.¹ The Convention was accompanied by two related exchanges of notes, which are transmitted for the information of the Senate.

The signing of this treaty is a significant step in the gradual process of improving and broadening the relationship between the United States and Poland. Consular relations between the two countries have not previously been subject to formal agreement. This Convention will establish firm obligations on such important matters as free communication between a citizen and his consul, notification to consular offices of the arrest and detention of their citizens, and permission for visits by consuls to citizens who are under detention.

The people of the United States and Poland enjoy a long tradition of friendship. I welcome the opportunity through this Consular Convention to strengthen the ties between our two nations. I urge the Senate to

¹ For text, see S. Ex. U., 92d Cong., 2d sess.

give the Convention its prompt and favorable consideration.

RICHARD NIXON.

THE WHITE HOUSE, September 19, 1972.

CONVENTION WITH ROMANIA

White House press release dated September 19

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Consular Convention between the United States of America and the Socialist Republic of Romania, signed at Bucharest on July 5, 1972.²

The Convention was signed by Secretary of State William P. Rogers, who was paying an official visit to Romania, and by Foreign Minister Corneliu Manescu. It is evidence of the continued improvement and expansion of United States-Romanian relations.

This new Convention, replacing one concluded in 1881, will make possible improved consular services in both countries. It will ensure unhindered communication between a citizen and his consul and prompt visit by consuls to citizens who are detained. Under the Convention, American citizens in Romania will have a fuller degree of consular assistance and protection than ever before.

I hope that the Senate will act favorably on the Consular Convention with Romania at an early date.

RICHARD NIXON.

THE WHITE HOUSE, September 19, 1972.

CONVENTION WITH HUNGARY

White House press release dated September 19

To the Senate of the United States:

I am transmitting for the Senate's advice and consent to ratification the Consular Convention between the United States of Amer-

² For text, see S. Ex. V., 92d Cong., 2d sess.

ica and the Hungarian People's Republic, signed at Budapest on July 7, 1972.³

Secretary of State William P. Rogers signed the Convention for the United States during his official visit to Hungary. It is the first bilateral treaty concluded between the Governments of the United States and Hungary since World War II and reflects the increasingly warm contacts developing between Americans and Hungarians as well as between their Governments.

The Consular Convention, like others recently negotiated with Poland and Romania, will make possible improved consular services, including guaranteed communication between a citizen and his consul and prompt notification in case of detention.

I believe that this Convention will provide a cornerstone for the development and maintenance of friendly relations with Hungary, and I recommend that the Senate advise and consent to its ratification.

RICHARD NIXON.

THE WHITE HOUSE, *September 19, 1972.*

Patent Cooperation Treaty Transmitted to the Senate

*Message From President Nixon*¹

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a copy of the Patent Cooperation Treaty, signed at Washington on June 19, 1970, together with the Regulations under the Patent Cooperation Treaty annexed thereto. I transmit also, for the information of the Senate, the report from the Department of State with respect to the Treaty.

The Patent Cooperation Treaty offers several major advantages. One is to simplify the filing of patent applications on the same

³ For text, see S. Ex. W., 92d Cong., 2d sess.

invention in different countries by providing, among other things, centralized filing procedures and a standardized application format.

Another advantage offered by the Treaty is the longer period of time available to an applicant before he must commit himself by undertaking the expenses of translation, national filing fees and prosecution in each country. Today, a twelve month priority period is provided by the Paris Convention for the Protection of Industrial Property, while under the Patent Cooperation Treaty an applicant will have generally twenty months or more. This advantage should permit the applicant to be more selective of the countries in which he ultimately decides to file, by giving him more time and information to evaluate the strength of his potential patent and to determine his marketing plans. Thus, this Treaty would serve to expand established programs of industry to file foreign patent applications as well as to encourage smaller businesses and individual inventors to become more actively engaged in seeking patent protection abroad.

A third advantage is to facilitate the examining process in those member countries which examine applications for patents.

In order to carry out the provisions of the Treaty, proposed implementing legislation will be forwarded to the Congress in the near future.

I recommend that the Senate give early and favorable consideration to the Treaty submitted herewith and give its advice and consent to ratification subject to three of the declarations for which provision is made in the Convention under Article 64, paragraphs (1) (a), (3) (a), and (4) (a), respectively, as explained in the report from the Department of State.

RICHARD NIXON.

THE WHITE HOUSE, *September 12, 1972.*

¹ Transmitted on Sept. 12 (White House press release); also printed as S. Ex. S., 92d Cong., 2d sess., which includes the text of the report from the Department of State. For text of the treaty, see BULLETIN of July 13, 1970, p. 45.

U.S. and U.S.S.R. Sign Memorandum of Implementation of Environmental Agreement

Press release 236 dated September 23

Following is the text of the memorandum of implementation signed at Moscow September 21 by Russell E. Train, Chairman of the U.S. Council on Environmental Quality, and E. K. Fedorov, Director of the Soviet Hydrometeorological Service.¹

MEMORANDUM OF IMPLEMENTATION OF THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON COOPERATION IN THE FIELD OF ENVIRONMENTAL PROTECTION OF MAY 23, 1972

The first meeting of the U.S.-Soviet Joint Committee on Cooperation in the Field of Environmental Protection was held in Moscow September 18 to 21, 1972. The Joint Committee was established by the Agreement on Cooperation in the Field of Environmental Protection, signed in Moscow by the President of the United States Richard Nixon and Chairman of the Presidium of the Supreme Soviet N.V. Podgorny on May 23, 1972.² As provided for in the Agreement, the Joint Committee approved concrete measures and programs of cooperation, and designated the participating organizations responsible for the realization of the programs.

Agreement was reached upon specific projects in the eleven subject areas named in the Agreement. Work will begin on a number of high priority projects during 1972-1973. For each project, responsible organizations were named by each side, although it was understood that other organizations from each side may participate in agreed projects, in many cases by working groups established in the specific area. It was agreed that the respective coordinators would verify the initiation of the agreed projects and remain in communication regarding the development of the program as a whole.

Agreement was reached upon the following initial projects:

I. AIR POLLUTION

1. Air Pollution Modeling

The metropolitan areas of St. Louis and Lenin-

grad were designated as subjects for air pollution investigations. The methods used in the USSR and the U.S. to compute dispersal of pollutants from single and multiple sources, emission limitations and forecasts of hazardous conditions of air pollution will be compared and improved with special attention to meteorological techniques and topographic factors.

2. Instrumentation and Methodology for Monitoring Major Air Pollutants

The instruments and methods used in the USSR and the U.S. for measurement, data collection and processing, and analysis are to be compared and improved.

3. Technology for Preventing Air Pollution from Industrial Enterprises

The two sides will exchange information and explore opportunities for joint research on technology for controlling pollutants, with initial work to be done on major stationary sources such as power plants. Special emphasis will be placed on the control of sulphur oxides and particulates.

4. Emissions from Transportation Sources

The two sides will explore possibilities for cooperation in reducing emissions from transportation sources, including the improvement of engine design.

Two working groups will be appointed. The first, for modeling and instrumentation, will concern itself with Projects 1 and 2 and will meet in St. Louis, Missouri, and other cities in the United States before the end of 1972. The lead agency for the U.S. is the Environmental Protection Agency, and for the USSR the Hydrometeorological Service. The second working group, for control techniques, will concern itself with Projects 3 and 4 and will meet in the USSR at the beginning of 1973. The lead agency for the U.S. is the Environmental Protection Agency and for the USSR the All-Union Association of Gas Purification and Dust Cleaning.

¹ For names of other members of the U.S. and Soviet delegations, see press release 236.

² For text of the agreement, see BULLETIN of June 26, 1972, p. 921.

II. WATER POLLUTION

1. *Studies and Modeling of River Basin Pollution*

Specific river basins in each country will be selected for a joint project on water pollution river basin modeling techniques. The Delaware and other river basin models will be examined in the United States. Rivers in the Soviet Union will be designated later. Soviet specialists will visit the U.S. in early 1973.

2. *Protection and Management of Lakes and Estuaries*

Both sides will designate lakes and estuaries in their country for joint projects on water pollution, including eutrophication. A Soviet Union lake will be Baikal; U.S. lakes to be considered include Lake Tahoe and one of the Great Lakes. U.S. specialists will visit the Soviet Union in the summer of 1973.

3. *Effects of Pollutants upon Aquatic Ecological Systems and Permissible Levels of Pollution*

Experts from both sides will exchange information and visits concerning research on the effects of pollutants on water systems and the development of water quality standards.

4. *Prevention or Treatment of Discharges*

The two sides will exchange visits and information on specific water pollution abatement techniques, including land disposal of both untreated municipal sewage and sludge from municipal treatment systems; reduction of pollution from industrial plants, such as manufacturers of pulp and paper; and reinjection of water from oil extraction activities, including disposal of liquid wastes in permafrost conditions in arctic and subarctic regions (collection, storage, treatment and final disposal). Visits will be made to arctic sites in both countries.

A single working group will be appointed. This group will meet in the USSR in the first quarter of 1973. There will be an exchange of visits of specialists to appropriate sites in both countries including arctic and subarctic areas. The lead agency for the U.S. is the Environmental Protection Agency and for the USSR the Hydrometeorological Service and the Ministry of Amelioration and Water Management.

III. POLLUTION RELATED TO AGRICULTURAL PRODUCTION

1. *Integrated Pest Management*

The two sides will exchange visits and information relating to programs of integrated pest management. Such programs include the use of non-chemical methods such as pest predators and pathogens, along with the limited use of pesticides. Both sides agreed to develop common programs, including the exchange of useful biological agents such as parasites and predators and plant species resistant to pests.

2. *Pollution Caused by Feedlots*

The two sides will exchange information and visits on management of wastes from large feedlots.

3. *Wind Erosion and Desiccation*

Both sides will exchange information and visits on research and management practices on control of wind erosion and desiccation.

4. *Effects of Pollutants on Forests and Plants*

Both sides will exchange visits and information on the effects of air pollutants on forest and crop plants.

A single working group will be appointed. This group will meet in the U.S. in early 1973. Initial emphasis will be on integrated pest management and pollution caused by feedlots. A conference on integrated pest management will take place in the USSR during 1973. The lead agency for the U.S. is the Department of Agriculture and for the USSR the Ministry of Agriculture.

IV. ENHANCEMENT OF URBAN ENVIRONMENT

1. *Urban Environment*

Both sides will designate two metropolitan areas in its country, with others added as appropriate, to serve as a means to examine jointly methods for planning and assuring a desirable environment in urban areas, with attention to planning for appropriate land use, transportation, noise abatement, solid waste management, water purification, recreation and park development, tourist zones and resorts, preservation of historic sites, etc.

The U.S. side has designated the Atlanta and San Francisco areas and the Soviet side has designated Leningrad for the initial exchange, and will designate a second city later.

2. *New Communities*

Both sides will designate new communities in each country as a means of examining the environmental, physical, social, economic and other factors considered in the design and development of satellite and free standing new communities. Among those communities to be designated are Columbia, Maryland and Reston, Virginia in the United States and Togliatti and Akademgorodok in the Soviet Union.

3. *Impact of Construction and Disposal of Wastes in Permafrost Areas*

The two sides will exchange visits and information on methods of construction in permafrost, the impact of construction on the environment in such areas and on the collection, storage and disposal of wastes in these areas.

A single working group will be appointed. This group will meet in the U.S. in November 1972, followed by a spring or summer 1973 meeting in the

USSR. The lead agency for the U.S. is the Department of Housing and Urban Development and for the USSR the State Committee on Urban Construction and Architecture and, for noise abatement, the Ministry of the Automobile Industry.

V. NATURE AND PRESERVES

1. *Conservation of Rare and Endangered Species of Animals and Plants, and General Wildlife Conservation and Management*

Both sides will exchange visits and information and develop joint research for the purpose of improving understanding and protection of endangered species of plants and animals. A Soviet-American convention on conservation of rare species migrating between the USSR and U.S. will be prepared, and both sides agreed on the importance and desirability of concluding, as soon as possible, international agreements on conservation of wildlife in need of special protection, for example polar bears and other animals. Joint projects will also include research on preservation and management of various marine and other mammals, specifically polar bears and whales of the North Pacific, involving the bowhead, gray and fin whales. They will also carry out projects on management of free-ranging wildlife for animal production, and research on and management of predators and waterfowl, including swans and other migratory birds.

A working group will be appointed that will meet initially in Moscow in December 1972. As necessary, appropriate subgroups will be organized (for example, for whales). The lead agencies for the U.S. are the Department of the Interior and the National Oceanic and Atmospheric Administration of the Department of Commerce, and for the USSR the Soviet Academy of Sciences and the Ministry of Agriculture. Some of the indicated projects, such as these for the bowhead whale and migrating swans, may be initiated prior to the working group meetings.

2. *Tundra Ecosystems and Permafrost*

The two sides will exchange visits and information on permafrost regions and tundra ecosystems, including research on stabilization of disturbed areas and other ecological research. Visits will be made by U.S. and Soviet specialists to appropriate institutes and places in each country.

3. *Reserved Areas*

Each side will exchange information and visits and develop appropriate research projects on preserves, their classification, organization and maintenance, on arid land ecology, and on parks, including a joint project involving the Yellowstone National Park (U.S.) and the Caucasian State Preserve (USSR).

A meeting of specialists in the U.S. early in 1973 will concern itself with Projects 2 and 3. The lead

agency for the U.S. is the Department of the Interior and for the USSR the Ministry of Agriculture.

VI. MARINE POLLUTION

1. *Prevention and Clean-up of Oil Pollution in the Marine Environment*

The two sides agreed to exchange visits and information on technologies and techniques for the prevention and clean-up of oil discharges in the marine environment, including such areas as vessel design, traffic control, shore facilities and offshore oil drilling safeguards. The two sides also agreed to exchange visits and information on pipeline transport, particularly through permafrost areas.

2. *Effect of Pollutants on Marine Organisms*

The two sides will exchange visits and information on research on the chemical aspects of marine pollution and the effects of pollutants on marine organisms, including chemical and biological analyses of fish, monitoring of rare species, exchange of specimens, and rehabilitation of sea life after major pollution incidents.

A working group will be appointed to deal with the first project. It will meet in the U.S. in early 1973 with a visit of specialists to the USSR in the summer of 1973. The lead agencies for the U.S. are the Department of Transportation and the Department of the Interior and for the USSR the Ministry of Merchant Marine. A first-quarter of 1973 meeting of specialists will be held in the U.S. to discuss the second project. The lead agencies for the U.S. are the Environmental Protection Agency and the National Oceanic and Atmospheric Administration of the Department of Commerce and for the USSR the Hydrometeorological Service.

VII. BIOLOGICAL AND GENETIC CONSEQUENCES

1. *Comprehensive Analysis of the Environment*

Both sides agree to hold a symposium in the USSR in the fall of 1973 to examine scientific methods of setting standards or limits on pollution discharges into the environment from separate sources and from large territories. The symposium would focus attention on the effect of man's activity on all organisms and the biosphere as a whole to provide guidance for protection of the environment and wise use of natural resources. The two sides will communicate with each other on the design of the conference, as necessary. The lead agency for the U.S. is the Environmental Protection Agency and for the USSR the Hydrometeorological Service.

2. *Biological and Genetic Effects of Pollutants*

Both sides will exchange visits and information and conduct joint research on the health effects of mutagenic compounds, radioactivity, and heavy metals; study extrapolation of animal toxicological

tests to man; and exchange visits and information on epidemiological studies. Both sides will exchange information and compare technical bases for establishing air quality standards. Specialists will meet in the U.S. during the first quarter of 1973. The lead agencies for the U.S. are the Department of Health, Education, and Welfare and the Environmental Protection Agency, and for the USSR the Ministry of Health and the Academy of Sciences.

VIII. INFLUENCE OF ENVIRONMENTAL CHANGES ON CLIMATE

1. *Effect of Changing Levels of Atmospheric Constituents on Climate*

The two sides will exchange information and participate in joint studies of the influence on climate of gaseous and particulate contaminants.

2. *Monitoring Atmospheric Constituents That Might Modify Climate*

The two sides will take steps to insure the comparability of data from their respective climate monitoring stations and cooperate in the analysis and interpretation of such data.

3. *Climate Modeling*

The two sides will exchange information and cooperate in the development and application of mathematical modeling to assess the consequences of atmospheric contamination on climate.

4. *Cooperation in Polar Research*

The two sides will explore possibilities of integrating such scientific programs as the U.S. Arctic Ice Dynamics Joint Experiment and the Soviet Polar Interaction Experiment so as to extend the fields of observation and permit more comprehensive analysis and modeling.

5. *Effects of Contamination of the Upper Atmosphere on Climate*

The two sides will exchange information and explore opportunities for cooperation in the study of the effects of perturbation of the upper atmosphere by propulsion effluents from high altitude aircraft.

A single working group will be established. It will meet in the U.S. late in 1972. A symposium will be held in the USSR in 1973. The lead agency for the U.S. is the National Oceanic and Atmospheric Administration of the Department of Commerce and for the USSR the Hydrometeorological Service.

IX. EARTHQUAKE PREDICTION

1. *Earthquake Prediction*

The San Andreas Fault area in the U.S. and the Garm-Dushanbe Region in the USSR were designated as subjects for the installation of jointly operated earthquake measurement instruments and detection equipment. Both sides will exchange visits and information with regard to earthquake prediction research, seismic risk mapping, seismicity and earthquake resistant design.

2. *Integration of U.S.-USSR Tsunami (Earthquake-Produced Tidal Waves) Warning Systems*

Both sides will exchange visits and information and will consider the possibility of the integration of the Tsunami warning systems currently being operated by the U.S. in the Hawaii area and by the USSR in the Kurile-Kamchatka area. The two systems will be integrated to provide an exchange of data produced from each one and to improve the operation of both systems.

One working group will be established. It will meet on the subject of Earthquake Prediction in the United States in early 1973 and later in 1973 in the USSR. The lead agencies for the United States will be the Department of the Interior for Earthquake Prediction Activities and the National Oceanic and Atmospheric Administration of the Department of Commerce for Integration of the Tsunami Warning Systems, and for the USSR the Academy of Sciences of the USSR.

X. ARCTIC AND SUBARCTIC ECOLOGICAL SYSTEMS

The two sides agreed to undertake a cooperative program involving arctic and subarctic areas. The specific projects agreed to will be undertaken under other areas of the agreement as follows:

1. *Prevention or Treatment of Discharges*

This project is covered under Water Pollution.

2. *Impact of Construction and Disposal of Wastes in Permafrost Environmental Areas*

This project is covered under the Urban Environment.

3. *Permafrost and Arctic Ecosystems*

This project is covered under Nature and Preserves.

4. *Prevention and Clean-up of Oil Pollution*

This project is covered under Marine Pollution.

XI. LEGAL AND ADMINISTRATIVE

Exchange of Information and Experience Regarding Legal and Administrative Measures for Protecting Environmental Quality

The two sides will exchange information and hold conferences on legal and administrative measures for protecting environmental quality, dealing with

questions of government organization, procedures to analyze environmental effects of government decisions, economic aspects of pollution and enforcement techniques among others. Specialists from both countries will hold a meeting in the United States early in 1973. The lead agency for the U.S. is the Council on Environmental Quality and for the USSR the Academy of Sciences.

Both sides agreed that the present memorandum would enter into force as of thirty days from the date of signature, and that in the interim each side might propose changes of a minor character.

Both sides agreed that the next meeting of the Joint Committee would be held in Washington in 1973. At that meeting the progress of the program will be reviewed and plans made for further co-operation. The Chairman and coordinators will meet as necessary between sessions.

Signed in English and in Russian, both copies equally authentic, in Moscow, September 21, 1972.

RUSSELL E. TRAIN

*Chairman for the
United States*

E. K. FEDOROV

*Chairman for the
Soviet Union*

Current Actions

MULTILATERAL

Atomic Energy

Statute of the International Atomic Energy Agency, with annex. Done at New York October 26, 1956, as amended. Entered into force July 29, 1957. TIAS 3873, 5284.

Acceptance deposited: Bangladesh, September 27, 1972.

Amendment of article VI of the statute of the International Atomic Energy Agency of October 26, 1956, as amended (TIAS 3873, 5284). Done at Vienna September 28, 1970.¹

Acceptances deposited: Bangladesh, September 27, 1972; Israel, September 26, 1972.

Aviation

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971.¹

Signature: New Zealand, September 26, 1972.

Finance

Articles of agreement of the International Bank for Reconstruction and Development, as amended. Done at Washington December 27, 1945. Entered

into force December 27, 1945. TIAS 1502, 5929.
Signature and acceptance: Qatar, September 25, 1972.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annexes. Done at Washington August 20, 1971.¹

Ratification deposited: Israel, September 26, 1972.

BILATERAL

Colombia

Agreement amending the agreement for sales of agricultural commodities of June 26, 1972. Effected by exchange of notes at Bogotá August 16 and September 1, 1972. Entered into force September 1, 1972.

Treaty concerning the status of Quitá Sueno, Roncador, and Serrana, with exchanges of notes. Signed at Bogotá September 8, 1972. Enters into force upon the exchange of instruments of ratification.

Israel

Agreement on the United States-Israel Binational Science Foundation, with exchange of letters. Signed at New York September 27, 1972. Entered into force September 27, 1972.

Norway

Agreement amending annex C of the mutual defense assistance agreement of January 27, 1950 (TIAS 2016). Effected by exchange of notes at Oslo September 12 and 14, 1972. Entered into force September 14, 1972.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Washington June 13, 1949. Entered into force December 11, 1951. TIAS 2357.

Terminates: November 29, 1972.

Convention modifying and supplementing the convention of June 13, 1949, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Oslo July 10, 1958. Entered into force October 21, 1959. TIAS 4360.

Terminates: November 29, 1972.

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and property, with related notes. Signed at Oslo December 3, 1971.

Ratifications exchanged: September 29, 1972.

Enters into force: November 29, 1972.

Union of Soviet Socialist Republics

Memorandum of implementation of the agreement on cooperation in the field of environmental protection of May 23, 1972 (TIAS 7345). Signed at Moscow September 21, 1972. Enters into force October 21, 1972.

¹ Not in force.

PUBLICATIONS

1947 "Foreign Relations" Volume on China Released

Press release 239 dated September 26 (for release October 2)

The Department of State released on October 2 another volume in the "Foreign Relations" series for the year 1947; namely, *Foreign Relations of the United States, 1947, Volume VII, The Far East: China* (vi, 1,477 pp).

This volume includes previously unpublished documentation on the political and military situation in China, particularly the continuing conflict between Kuomintang and Communist forces, the situation in Formosa (Taiwan), American representations regarding the port of Dairen, political problems in Sinkiang, the status of Tibet, the mission to China of Lt. Gen. Albert C. Wedemeyer, U.S. military and naval aid to China, and economic relations of the United States and China.

This is the sixth of eight volumes to be published on American foreign relations in 1947, and the remaining two volumes are in preparation. The volumes are prepared by the Historical Office, Bureau of Public Affairs. Copies of volume VII may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for \$6.75 each (Department of State publication 8613).

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Address requests direct to the Superintendent of Documents. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders.

Background Notes. Short, factual summaries which describe the people, history, government, economy, and foreign relations of each country. Each contains a map, a list of principal government officials and U.S. diplomatic and consular offices, and a reading list. (A complete set of all Background Notes currently in stock (at least 125)—\$6; 1-year subscription service for approximately 75 updated or new Notes—\$3.50; plastic binder—\$1.50.) Single copies of those listed below are available at 10¢ each.

Libya Pub. 7815 4 pp.
Kuwait Pub. 7855 4 pp.

U.S. Assistance Program in Viet-Nam. This pamphlet in the Current Foreign Policy series discusses the AID economic assistance programs in South Viet-Nam with particular reference to the situation just prior to the North Vietnamese invasion of March 30, 1972. Pub. 8550. East Asia and Pacific Series 195. 10¢.

Economic Assistance. Agreement with Viet-Nam amending the agreement of April 27, 1972. TIAS 7322. 8 pp. 10¢.

Check List of Department of State

Press Releases: Sept. 25–Oct. 1

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Release issued prior to September 25 which appears in this issue of the BULLETIN is No. 236 of September 23.

No.	Date	Subject
*237	9/25	Rivero sworn in as Ambassador to Spain (biographic data).
238	9/26	Rogers: U.N. General Assembly, Sept. 25.
238A	9/26	Draft convention on terrorism, Sept. 25.
238B	9/26	Draft resolution on terrorism, Sept. 25.
239	9/26	Volume VII of "Foreign Relations" series for 1947 released.
*240	9/26	Vaky sworn in as Ambassador to Costa Rica (biographic data).
*241	9/27	Shipping Coordinating Committee to meet Oct. 20.
†242	9/27	Joint State-Commerce conference on U.S.-African trade, Oct. 3–4.
*243	9/27	Foreign Service employees to vote on exclusive representation.
†244	9/27	Establishment of U.S.-Israeli Binational Science Foundation.
†245	9/28	Newsom: World Affairs Council of Northern California, San Francisco.
246	9/28	Porter: 161st plenary session on Viet-Nam at Paris.
246A	9/29	Porter: additional remarks.
*247	9/29	Entry into force of double taxation convention with Norway.
*248	9/29	Seelye sworn in as Ambassador to Tunisia (biographic data).
†249	9/29	Rogers: Council on Foreign Relations, New York, Sept. 28.

* Not printed.

† Held for a later issue of the BULLETIN.

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Hungary. Consular Conventions Transmitted to the Senate (messages from President Nixon)	449
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739

THE
DEPARTMENT
OF
STATE

BULLETIN

Vol. LXVII, No. 1739



October 23, 1972

REFORMING THE INTERNATIONAL MONETARY SYSTEM

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THE DEPARTMENT OF STATE BULLETIN

Vol. LXVII, No. 1739

October 23, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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Reforming the International Monetary System

The Boards of Governors of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) and its affiliates held their regular annual meetings at Washington September 25–29. Following are remarks made by President Nixon before the Boards of Governors on September 25 and a statement made on September 26 by Secretary of the Treasury George P. Shultz, U.S. Governor of the Fund and Bank.

REMARKS BY PRESIDENT NIXON

Weekly Compilation of Presidential Documents dated October 2

I have had the privilege of visiting most of the 124 countries represented here in this distinguished audience, and on this occasion I would like to extend my welcome to you, my best wishes to the heads of government that I have also had the privilege to meet, and particularly the best wishes of the American people to all of the people of the many countries represented at this gathering.

It is customary in addressing such a significant international gathering to say that we are participating in a great moment of history. Great moments in history are easy to perceive; the headlines blaze and the world is riveted at television screens as world leaders meet. But great movements in history are much harder to perceive, and particularly while we are living through them. The action is slower, it is less dramatic, it is infinitely more complex, as changing circumstances and the new needs of people alter the behavior of nations.

I am convinced, on the basis of the evidence of the past year, that we are not only

participating today in a great moment in history but that we are witnessing and helping to create a profound movement in history.

That movement is away from the resolution of potential conflict by war and toward its resolution through peaceful means. The experienced people gathered in this room are not so naive as to expect the smoothing out of all differences between peoples and between nations. We anticipate that the potential for conflict will exist as long as men and nations have different interests, different approaches, different ideals.

Therefore we must come to grips with the paradoxes of peace. As the danger of armed conflict between major powers is reduced, the potential for economic conflict increases. As the possibility of peace grows stronger, some of the original ties that first bound our postwar alliances together grow weaker. As nations around the world gain new economic strength, the points of commercial contact multiply along with the possibilities of disagreements.

There is another irony that we should recognize on this occasion. With one exception, the nations gathered here whose domestic economies are growing so strongly today can trace much of their postwar growth to the expansion of international trade. The one exception is the United States—the industrial nation with by far the smallest percentage of its gross national product in world trade.

Why, then, is the United States—seemingly with the least at stake—in the forefront of those working for prompt and thoroughgoing reform of the international monetary system, with all that will mean for the expansion of trade now and in the future?

One reason, of course, is our national self-

interest. We want our working men and women, our business men and women, to have a fair chance to compete for their share of the expanding trade between nations. A generation ago, at the end of World War II, we deliberately set out to help our former enemies as well as our weakened allies, so that they would inevitably gain the economic strength which would enable them to compete with us in world markets. And now we expect our trading partners to help bring about equal and fair competition.

There is another reason, more far-reaching and fundamental, that motivates the United States in pressing for economic and monetary reform.

Working together, we must set in place an economic structure that will help and not hinder the world's historic movement toward peace.

We must make certain that international commerce becomes a source of stability and harmony, rather than a cause of friction and animosity.

Potential conflict must be channeled into cooperative competition. That is why the structure of the international monetary system and the future system of world trade are so central to our concerns today. The time has come for action across the entire front of international economic problems. Recurring monetary crises such as we have experienced all too often in the past decade, unfair currency alignments and trading agreements which put the workers of one nation at a disadvantage with workers of another nation, great disparities in development that breed resentment, a monetary system that makes no provision for the realities of the present and the needs of the future—all these not only injure our economies; they also create political tensions that subvert the cause of peace.

There must be a thoroughgoing reform of the world monetary system to clear the path for the healthy economic competition of the future.

We must see monetary reform as one part of a total reform of international economic

affairs encompassing trade and investment opportunity for all.

We must create a realistic code of economic conduct to guide our mutual relations, a code which allows governments freedom to pursue legitimate domestic objectives but which also gives them good reason to abide by agreed principles of international behavior.

Each nation must exercise the power of its example in the realistic and orderly conduct of internal economic affairs so that each nation exports its products and not its problems.

We can all agree that the health of the world economy and the stability of the international economic system rests largely on the successful management of domestic economies. The United States recognizes the importance of a strong, noninflationary domestic economy both in meeting the needs of our own citizens and in contributing to a healthy world economy. We are firmly committed to reaching our goals in this country of strong growth, full employment, price stability.

We are encouraged by the record of our current economic performance. We are now experiencing one of the lowest rates of inflation, one of the highest rates of real economic growth, of any industrial nation.

Recent gains in the productivity and the real income of American workers have been heartening. We intend to continue the policies that have produced those gains.

We also recognize that over the longer term, domestic policies alone cannot solve international problems. Even if all countries achieved a very large measure of success in managing their own economies, strains and tensions could arise at points of contact with other economies.

We cannot afford a system that almost every year presents a new invitation to a monetary crisis in the world. And that is why we face the need to develop procedures for prompt and orderly adjustment.

It is very easy for me to use the term "prompt and orderly adjustment." And many would say that that is a term that only con-

cerns bankers and finance ministers and economists. But that phrase "prompt and orderly adjustment" in international monetary matters encompasses the real problems of working men and women, the fears and hopes of investors and managers of large and small businesses; and consequently it is the concern of the political leadership of every nation represented in this group today. No nation should be denied the opportunity to adjust nor relieved of the obligation to adjust.

In the negotiations ahead, there will be differences of opinion and approaches. You saw some of those differences at the Smithsonian not a year ago even. I had the opportunity to see them at another level in meetings with President Pompidou in the Azores, with Prime Minister Heath at Bermuda, with Chancellor Brandt in Florida, with Prime Minister Sato in California, and I know how intricate, how difficult, the problems are that you will be considering at these meetings. Immediate interests inevitably will seem to be in conflict, and there will be times when impasses develop that may seem impossible to resolve.

But the world has had some experience recently with long, hard negotiations, and I refer in another field to a long, hard negotiation—the strategic arms limitation agreements signed by the Soviet Union and the United States early this summer.

Now, that was bilateral negotiation. It involved just two nations, not 124. But its complexity, when those negotiations began three years or so ago, seemed almost infinite; the obstacles had been hardening for over 25 years; the issue of national security for each nation was as sensitive a matter as can exist in negotiations between two powers.

We came to an agreement in Moscow, nevertheless, because the issue that united us—seeking an end to the wasteful and dangerous arms race—was greater than the issues that divided us.

We reached agreement because we realized that it was impossible for either side to negotiate an advantage over the other that

would prevail. The only agreement worth making was one in which each side had a stake in keeping.

Now, these two principles can guide us in building the monetary system of the future.

We recognize that the issues that divide us are many and they are very serious and infinitely complex and difficult. But the impetus that will make this negotiation successful is the force that unites us all, all the 124 nations represented here today: That is a common need to establish a sound and abiding foundation for commerce, leading to a better way of life for all the citizens of all the nations here and all the citizens of the world.

That common need—let us call it the world interest—demands a new freedom of world trade, a new fairness in international economic conduct.

It is a mark of our maturity that we now see that an unfair advantage gained in an agreement today only sabotages that agreement tomorrow.

I well remember when I was a first-year law student, 32 years ago, what the professor of contracts said as he opened the course. He said, "A contract is only as good as the will of the parties to keep it."

The only system that can work is one that each nation has an active interest in making work. The need is self-evident. The will to reform the monetary system is here in this room; and in a proverb that has its counterpart in almost every language here, "Where there is a will there is a way."

We are gathered to create a responsible monetary system, responsive to the need for stability and openness and responsive to the need of each country to reflect its unique character.

In this way we bring to bear one of the great lessons of federalism: that often the best way to enforce an agreed-upon discipline is to let each member take action to adhere to it in the way that is best suited to its local character, its stage of development, its economic structure.

For its part, I can assure you, the United

States will continue to rise to its world responsibilities, joining with other nations to create and participate in a modern world economic order.

We are secure enough in our independence to freely assert our interdependence.

These are the principles that I profoundly believe should and will guide the United States in its international economic conduct now and in the years ahead.

We shall press for a more equitable and a more open world of trade. We shall meet competition rather than run away from it.

We shall be a stimulating trading partner, a straightforward bargainer.

We shall not turn inward and isolationist.

In turn we shall look to our friends for evidence of similar rejection of isolationism in economic and political affairs.

Let us all resolve to look at the ledgers of international commerce today with new eyes—to see that there is no heroism in a temporary surplus nor villainy in a temporary deficit, but to see that progress is possible only in the framework of long-term equilibrium. In this regard we must take bold action toward a more equitable and a more open world trading order.

Like every leader of the nations represented here, I want to see new jobs created all over the world; but I cannot condone the export of jobs out of the United States caused by any unfairness built into the world's trading system.

Let all nations in the more advanced stages of industrial development share the responsibility of helping those countries whose major development lies ahead; and let the great industrial nations, in offering that help, in providing it, forgo the temptation to use that help as an instrument of domination, discrimination, or rivalry.

Far more is at stake here than the mechanics of commerce and finance. At stake is the chance to add genuine opportunity to the lives of people, hundreds of millions of people in all nations, the chance to add stability and security to the savings and earnings of hundreds of millions of people in all of our

nations, the chance to add economic muscle to the sinews of peace.

I have spoken this morning in general terms about how we can advance our economic interdependence. Later this week Secretary Shultz will outline a number of proposals which represent the best thinking of my top economic advisers. I commend those proposals to you for your careful consideration.

The word "economics," traced to its Greek root, means "the law of the house." This house we live in—this community of nations—needs far better laws to guide our future economic conduct. Every nation can prosper and benefit working within a modern world economic order that it has a stake in preserving.

Now, very little of what is done in these negotiations will be widely understood in this country or in any of your countries as well. And very little of it will be generally appreciated.

But history will record the vital nature of the challenge before us. I am confident that the men and the nations gathered here will seize the opportunity to create a monetary and trading system that will work for the coming generation and will help to shape the years ahead into a generation of peace for all nations in the world.

STATEMENT BY SECRETARY SHULTZ

Department of the Treasury press release dated September 26

The nations gathered here have it in their power to strike a new balance in international economic affairs.

The new balance of which I speak does not confine itself to the concepts of a balance of trade or a balance of payments. The world needs a new balance between flexibility and stability in its basic approach to doing business. The world needs a new balance between a unity of purpose and a diversity of execution that will permit nations to cooperate closely without losing their individuality or sovereignty.

We lack that balance today. Success in the negotiations in which we are engaged will be measured in terms of how well we are able to achieve that balance in the future.

I anticipate working closely and intensively with you to that end, shaping and reshaping the best of our thinking as we proceed in full recognition that the legitimate requirements of each nation must be meshed into a harmonious whole.

In that spirit, President Nixon has asked me to put certain ideas before you.

In so doing, I must necessarily concentrate my remarks today on monetary matters. However, I am deeply conscious that in approaching this great task of monetary reform we cannot neglect the needs of economic development. I am also conscious that the success of our development efforts will ultimately rest in large measure on our ability to achieve and maintain a monetary and trading environment in which all nations can prosper and profit from the flows of goods, services, and investment among us.

The formation of the Committee of Twenty, representing the entire membership of the Fund, properly reflects and symbolizes the fact that we are dealing with issues of deep interest to all members and in particular that the concerns of developing countries will be fully reflected in discussions of the reform of the monetary system.

As we enter into negotiations in that group, we have before us the useful report of the Executive Directors, identifying and clarifying some of the basic issues which need to be resolved.

We also look forward to participation by other international organizations, with each contributing where it is most qualified to help. The challenge before us calls for substantial modification of the institutions and practices over the entire range of international economic cooperation.

There have already been stimulating contributions to our thinking from a wide variety of other sources, public and private. I have examined with particular care the statements made over the past few months by

other Governors individually and the eight points which emerged from the deliberations of the Finance Ministers of the European Community.

Principles Underlying Monetary Reform

Drawing from this interchange of views, and building upon the Smithsonian agreement,¹ we can now seek a firm consensus for new monetary arrangements that will serve us all in the decades ahead. Indeed, I believe certain principles underlying monetary reform already command widespread support.

First is our mutual interest in encouraging freer trade in goods and services and the flow of capital to the places where it can contribute most to economic growth. We must avoid a breakup of the world into antagonistic blocs. We must not seek a refuge from our problems behind walls of protectionism.

The pursuit of the common welfare through more open trade is threatened by an ancient and recurring fallacy: Surpluses in payments are too often regarded as a symbol of success and of good management rather than as a measure of the goods and services provided from a nation's output without current return.

We must recognize, of course, that freer trade must be reconciled with the need for each country to avoid abrupt change involving serious disruptions of production and employment. We must aim to expand productive employment in all countries—and not at one another's expense.

A second fundamental is the need to develop a common code of conduct to protect and strengthen the fabric of a free and open international economic order.

Such basic rules as “no competitive devaluation” and “most-favored-nation treatment” have served us well, but they and others need to be reaffirmed, supplemented, and made applicable to today's conditions. Without such rules to guide us, close and

¹ For background, see BULLETIN of Jan. 10, 1972, p. 32.

fruitful cooperation on a day-to-day basis would not be possible.

Third, in shaping these rules we must recognize the need for clear disciplines and standards of behavior to guide the international adjustment process—a crucial gap in the Bretton Woods system. Amid the debate about the contributing causes of past imbalances and the responsibility for initiative toward correction, sight has too often been lost of the fact that adjustment is inherently a two-sided process—that for the world as a whole, every surplus is matched by a deficit.

Resistance of surplus countries to loss of their surpluses defeats the objective of monetary order as surely as failure of deficit countries to attack the source of their deficits. Any effort to develop a balanced and equitable monetary system must recognize that simple fact; effective and symmetrical incentives for adjustment are essential to a lasting system.

Fourth, while insisting on the need for adjustment, we can and should leave considerable flexibility to national governments in their choice among adjustment instruments. In a diverse world, equal responsibility and equal opportunity need not mean rigid uniformity in particular practices. But they do mean a common commitment to agreed international objectives. The belief is widespread—and we share it—that the exchange rate system must be more flexible. However, important as they are, exchange rates are not the only instrument of adjustment policy available; nor in specific instances will they necessarily be the most desirable.

Fifth, our monetary and trading systems are an interrelated complex. As we seek to reform monetary rules, we must at the same time seek to build in incentives for trade liberalization. Certainly, as we look ahead, ways must be found to integrate better the work of the GATT [General Agreement on Tariffs and Trade] and the IMF. Simultaneously we should insure that there are pressures which move us toward adequate development assistance and away from controls which stifle the free flow of investment.

Finally, and perhaps most fundamental, any stable and well-functioning international monetary system must rest upon sound policies to promote domestic growth and price stability in the major countries. These are imperative national goals for my government—and for yours. And no matter how well we design an international system, its prospects for survival will be doubtful without effective discharge of those responsibilities.

Toward a Workable International Agreement

Today is not the occasion for presenting a detailed blueprint for monetary reform. However, I do want to supplement these general principles with certain specific and interrelated ideas as to how to embody these principles in a workable international agreement.

These suggestions are designed to provide stability without rigidity. They take as a point of departure that most countries will want to operate within the framework of specified exchange rates. They would encourage these rates to be maintained within specified ranges so long as this is accomplished without distorting the fabric of trade and payments or domestic economic management. We aim to encourage freer flows of trade and capital while minimizing distortions from destabilizing flows of mobile capital. We would strengthen the voice of the international community operating through the IMF.

I shall organize these ideas under six headings, recognizing that much work remains to be done to determine the best techniques in each area: the exchange rate regime; the reserve mechanism; the balance of payments adjustment process; capital and other balance of payments controls; related negotiations; institutional implications.

1. *The Exchange Rate Regime*

We recognize that most countries want to maintain a fixed point of reference for their currencies; in other words, a “central” or “par” value. The corollary is a willingness to

maintain and support these values by assuring convertibility of their currencies into other international assets.

A margin for fluctuation for market exchange rates around such central values will need to be provided sufficiently wide to dampen incentives for short-term capital movements and, when changes in central values are desirable, to ease the transition. The Smithsonian agreement took a major step in that direction. Building on that approach in the context of a symmetrical system, the permissible outer limits of these margins of fluctuation for all currencies—including the dollar—might be set in the same range as now permitted for nondollar currencies trading against each other.

We also visualize, for example, that countries in the process of forming a monetary union—with the higher degree of political and economic integration that that implies—may want to maintain narrower bands among themselves and should be allowed to do so. In addition, an individual nation, particularly in the developing world, may wish to seek the agreement of a principal trading partner to maintain a narrower range of exchange rate fluctuation between them.

Provision needs also to be made for countries which decide to float their currencies. However, a country that refrains from setting a central value, particularly beyond a brief transitional period, should be required to observe more stringent standards of behavior in other respects to assure the consistency of its actions with the basic requirements of a cooperative order.

2. The Reserve Mechanism

We contemplate that the SDR [special drawing rights] would increase in importance and become the formal numéraire of the system. To facilitate its role, that instrument should be freed of those encumbrances of reconstitution obligations, designation procedures, and holding limits which would be unnecessary in a reformed system. Changes in the amount of SDR in the system as a whole will be required periodically to

meet the aggregate need for reserves.

A "central value system" implies some fluctuation in official reserve holdings of individual countries to meet temporary disturbances in their balance of payments positions. In addition, countries should ordinarily remain free to borrow or lend, bilaterally or multilaterally, through the IMF or otherwise.

At the same time, official foreign currency holdings need be neither generally banned nor encouraged. Some countries may find holdings of foreign currencies provide a useful margin of flexibility in reserve management, and fluctuations in such holdings can provide some elasticity for the system as a whole in meeting sudden flows of volatile capital. However, careful study should be given to proposals for exchanging part of existing reserve currency holdings into a special issue of SDR, at the option of the holder.

The suggested provisions for central values and convertibility do not imply restoration of a gold-based system. The rigidities of such a system, subject to the uncertainties of gold production, speculation, and demand for industrial uses, cannot meet the needs of today.

I do not expect governmental holdings of gold to disappear overnight. I do believe orderly procedures are available to facilitate a diminishing role of gold in international monetary affairs in the future.

3. The Balance of Payments Adjustment Process

In a system of convertibility and central values, an effective balance of payments adjustment process is inextricably linked to appropriate criteria for changes in central values and the appropriate level, trend, and distribution of reserves. Agreement on these matters, and on other elements of an effective and timely adjustment process, is essential to make a system both practical and durable.

There is, of course, usually a very close relationship between imbalances in payments and fluctuations in reserve positions. Coun-

tries experiencing large deterioration in their reserve positions generally have had to devalue their currencies or take other measures to strengthen their balance of payments. Surplus countries with disproportionate reserve gains have, however, been under much less pressure to revalue their currencies upward or to take other policy actions with a similar balance of payments effect. If the adjustment process is to be more effective and efficient in a reformed system, this asymmetry will need to be corrected.

I believe the most promising approach would be to insure that a surfeit of reserves indicates, and produces pressure for, adjustment on the surplus side, as losses of reserves already do for the deficit side. Supplementary guides and several technical approaches may be feasible and should be examined. Important transitional difficulties will need to be overcome. But, in essence, I believe disproportionate gains or losses in reserves may be the most equitable and effective single indicator we have to guide the adjustment process.

As I have already indicated, a variety of policy responses to affect the balance of payments can be contemplated. An individual country finding its reserves falling disproportionately would be expected to initiate corrective actions. For example, small devaluations would be freely permitted such a country. Under appropriate international surveillance, at some point a country would have a *prima facie* case for a larger devaluation.

While we must frankly face up to limitation on the use of domestic monetary, fiscal, or other internal policies in promoting international adjustments in some circumstances, we should also recognize that the country in deficit might well prefer—and be in a position to apply—stricter internal financial disciplines rather than devalue its currency. Only in exceptional circumstances, and for a limited period, should a country be permitted direct restraints; and these should be general and nondiscriminatory. Persistent

refusal to take fundamental adjustment measures could result in withdrawal of borrowing, SDR allocation, or other privileges.

Conversely, a country permitting its reserves to rise disproportionately could lose its right to demand conversion, unless it undertook at least limited revaluation or other acceptable measures of adjustment. If reserves nonetheless continued to rise and were maintained at those higher levels over an extended period, then more forceful adjustment measures would be indicated.

For a surplus as for a deficit country, a change in the exchange rate need not be the only measure contemplated. Increasing the provision of concessionary aid on an untied basis, reduction of tariffs and other trade barriers, and elimination of obstacles to outward investment could, in specific circumstances at the option of the nation concerned, provide supplementary or alternative means. But in the absence of a truly effective combination of corrective measures, other countries should ultimately be free to protect their interests by a surcharge on the imports from the chronic surplus country.

For countries moving toward a monetary union, the guidelines might be applied on a collective basis, provided the countries were willing to speak with one voice and to be treated as a unit for purposes of applying the basic rules of the international monetary and trading system.

4. Capital and Other Balance of Payments Controls

It is implicit in what I have said that I believe that the adjustment process should be directed toward encouraging freer trade and open capital markets. If trade controls are permitted temporarily in extreme cases on balance of payments grounds, they should be in the form of surcharges or across-the-board taxes. Controls on capital flows should not be allowed to become a means of maintaining a chronically undervalued currency. No country should be forced to use controls in lieu of other, more basic, adjustment measures.

5. *Related Negotiations*

We welcome the commitments which major nations have already made to start detailed trade negotiations under the GATT in the coming year. These negotiations dealing with specific products and specific restraints need not wait on monetary reform, nor need monetary reform await the results of specific trade negotiations.

Those negotiations, and the development of rules of good behavior in the strictly monetary area, need to be supplemented by negotiations to achieve greater equity and uniformity with respect to the use of subsidies, and fiscal or administrative pressures on trade and investment transactions. Improper practices in these areas distort trade and investment relationships as surely as do trade barriers and currency disequilibrium. In some instances, such as the use of tariff surcharges or capital controls for balance of payments purposes, the linkage is so close that the Committee of Twenty must deal with the matter directly. As a supplement to its work, that group can help launch serious efforts in other bodies to harmonize countries' practices with respect to the taxation of international trade and investment, the granting of export credit, and the subsidization of international investment flows.

6. *Institutional Implications*

As I look to the future, it seems to me that there are several clear-cut institutional requirements of a sensible reform of the monetary and trading system.

Several times today I have stressed the need for a comprehensive new set of monetary rules. Those rules will need to be placed under guardianship of the IMF, which must be prepared to assume an even more critical role in the world economy.

Given the interrelationships between trade and payments, that role will not be effectively discharged without harmonizing the rules of the IMF and the GATT and achieving a close working relationship.

Finally, we need to recognize that we are inevitably dealing with matters of essential

and sensitive national interest to specific countries. International decisionmaking will not be credible or effective unless it is carried out by representatives who clearly carry a high stature and influence in the councils of their own governments. Our international institutions will need to reflect that reality so that in the years ahead national governments will be intensively and continuously involved in their deliberations and processes. Without a commitment by national governments to make a new system work in this way, all our other labors may come to naught.

Cooperation for Equilibrium

I am fully aware that the United States as well as other countries cannot leap into new monetary and trading arrangements without a transitional period. I can state, however, that after such transitional period the United States would be prepared to undertake an obligation to convert official foreign dollar holdings into other reserve assets as a part of a satisfactory system such as I have suggested—a system assuring effective and equitable operation of the adjustment process. That decision will of course need to rest on our reaching a demonstrated capacity during the transitional period to meet the obligation in terms of our reserve and balance of payments position.

We fully recognize that we have not yet reached the strength we need in our external accounts. In the end, there can be no substitute for such strength in providing the underpinning for a stable dollar and a stable monetary system.

An acceptable monetary system requires a willingness on the part of all of us to contribute to the common goal of full international equilibrium. Lacking such equilibrium, no system will work. The equilibrium cannot be achieved by any one country acting alone.

We engage in discussions on trade and financial matters with a full realization of the necessity to continue our own efforts on a broad front to restore our balance of pay-

ments. I must add, in all candor, that our efforts to improve our position have in more than one instance been thwarted by the reluctance of others to give up an unjustified preferential and highly protected market position. Yet without success in our endeavor, we cannot maintain our desired share in the provision of aid and reduce our official debt to foreign monetary authorities.

We take considerable pride in our progress toward price stability, improved productivity, and more rapid growth during the past year. Sustained into the future, as it must be, that record will be the best possible medicine not only for our domestic prosperity but for the effective functioning of the international financial system.

My remarks today reflect the large agenda before us. I have raised difficult, complicated, and controversial issues. I did not shrink from so doing, for a simple reason: I know that you, as we, want to move ahead on the great task before us.

Let us see if, in Nairobi next year, we can say that a new balance is in prospect and that the main outlines of a new system are agreed. We owe ourselves and each other that effort.

President Signs Joint Resolution on Offensive Arms Agreement

Following are remarks made by President Nixon on September 30 upon signing House Joint Resolution 1227 approving the U.S.-U.S.S.R. Interim Agreement on Certain Measures With Respect to the Limitation of Strategic Arms.¹

White House press release dated September 30

Gentlemen: We are gathered here, as you know, for the signing of the executive agreement. I would like to repeat something that I said in the White House to this group of leaders when I returned from the trip to Moscow.

I pointed out both in my statement to the

Congress and also to the Members of the Congress, both House and Senate, who had to consider this agreement, that we considered this a cooperative venture and we wanted the Congress to examine the agreement and to reach a conclusion, independently of the executive, that they were in the interest of the United States.

The Congress has now so acted. Its debate has, in both the Senate and the House, served to inform the American people of the contents of the agreement and also what its implications are.

I think what is particularly pleasing—pleasing in the sense of how our system works—is that this agreement has had bipartisan support in the fullest sense. Democrats and Republicans have joined together in debating it and criticizing where they felt there was room to criticize and finally in voting for it in the form that it has now reached the desk here and as I will sign it.

We have asked you to come to this room because we do feel this agreement is one that has a very special significance. All of you who have been here many times before know that it was the Cabinet Room from the period of Abraham Lincoln up until 1902, when the West Wing was completed. But it is now known as the Treaty Room because the war between Spain and the United States, as you know, was ended by a treaty signed in this room.

I would simply say, in that connection, this is not a treaty which ends a war. This is not an agreement which guarantees that there will be no war. But what this is is the beginning of a process that is enormously important that will limit now and, we hope, later reduce the burden of arms and thereby reduce the danger of war. We think, therefore, it deserves this kind of attendance by the leaders of the Congress, the administration, the Armed Forces, and it deserves also being signed in this room.

¹ For text of the interim agreement, see BULLETIN of June 26, 1972, p. 920; as enacted, the joint resolution is Public Law 92-448.

Strategic Arms Limitation Agreements Enter Into Force

At a White House ceremony on October 3, instruments of ratification of the ABM Treaty were exchanged as well as letters signed by President Nixon and Nikolai V. Podgorny, Chairman of the Presidium of the Supreme Soviet of the U.S.S.R., accepting the interim agreement on strategic offensive arms.¹ Following are remarks made by President Nixon and Soviet Foreign Minister Andrei A. Gromyko at the ceremony and the text of President Nixon's letter dated October 2 to Chairman Podgorny.

REMARKS AT SIGNING CEREMONY

Weekly Compilation of Presidential Documents dated October 9

Foreign Minister Gromyko ²

Mr. President, Mr. Secretary of State, ladies and gentlemen: The treaty and the interim agreement on questions of strategic arms limitation which were signed in Moscow by you, Mr. President, and by the General Secretary of the Central Committee of the Communist Party of the Soviet Union, Leonid Brezhnev, and which are today coming into force will go down in history as a significant achievement in restraining the arms race.

This is how the significance of this event is evaluated by world public opinion. The Soviet Union attaches great importance to these accords which are a continuation of the process initiated by the conclusion of the Moscow Test Ban Treaty, the Treaty on the Nonproliferation of Nuclear Weapons, and other important agreements limiting the arms race in the world.

The Soviet people firmly intend to go on implementing the peace program approved

¹ For texts of the U.S.-U.S.S.R. Treaty on the Limitation of Anti-Ballistic Missile Systems and the Interim Agreement With Respect to the Limitation of Strategic Offensive Arms, see BULLETIN of June 26, 1972, p. 918.

² The Foreign Minister spoke in Russian.

by the 24th Congress of the Communist Party of the Soviet Union. We are confident that the question on the nonuse of force in international relations and on the permanent prohibition of the use of nuclear weapons, which we have submitted for consideration by the current session of the United Nations General Assembly, is also of signal importance for the cause of peace.

The treaty and the interim agreement entering into force today are based on recognition of the principle of the equal security of the parties, and they offer no one any unilateral military advantages. At the same time, these accords meet not only the interests of our two nations but also the interests of international security as a whole and the interests of all nations, because security and peace are their common goal.

Practical steps to limit rocket nuclear armaments rightfully hold an important place among the very real political changes taking place in relations between our two countries, and this signifies a success for the policy of peaceful coexistence, and it has a positive effect on the entire international situation as a whole.

For the first time since the Second World War, agreements are coming into force aimed at slowing down the race in the most destructive types of armaments, but any treaty and any agreement can have a genuine historic significance only when the principles and the intentions proclaimed in them become the content of the practical activity of states and lead to further important achievements in that direction.

The Soviet Union is fully resolved, for its part, to do all that is necessary to that end.

Today when these important documents are entering into force, it should be noted that in accordance with the understanding achieved between our two countries negotiations will be continued with a view to deepening and broadening agreements to limit strategic arms.

As is evidenced by the treaty and the interim agreement entering into force today, vigorous efforts aimed at removing the threat

of war and at disarmament do yield their concrete positive results.

We are convinced that the interests of the Soviet and American peoples and the interests of the peoples of all the countries of the world demand that efforts to limit the arms race should continue unabated.

Thank you.

President Nixon

Mr. Vice President, Mr. Foreign Minister, Mr. Secretary of State, members of the Cabinet, Members of the Congress, and all of our distinguished guests: As has already been indicated, the documents we have signed today place into force the first limitation on offensive and defensive nuclear arms ever entered into, and particularly it is important that this limitation is entered into between the Soviet Union and the United States of America.

On this particular occasion, I would like to pay a personal tribute to and express the thanks of the Nation to the Members of the House and the Senate who, in a bipartisan manner, gave approval and support to these historic agreements.

Also, I would like to pay tribute to and express personal appreciation to the scores of people in both governments who are not seated here at the table but who worked with those at the table in working out the details of these agreements and their substance over almost three years.

It would not be fair to mention the names of all of them, or even a few, but I am sure that everyone would appreciate the fact that I would say that one name particularly comes to mind today, a former Ambassador from the United States to the Soviet Union who also served with Ambassador [Gerard] Smith on the delegation to SALT [Strategic Arms Limitation Talks] from the United States, Ambassador Llewellyn Thompson. It can truly be said of him, as it can be said of so many others who have worked in this field, that he gave his life to the cause of peace.

On this occasion we recognize that these

agreements mean the first step in limiting the burden of nuclear arms as far as our two nations are concerned. Also, these agreements mean a first step in reducing the danger of war in the world and increasing the chances of peace.

I have used the term "first step" quite deliberately, because while these agreements have enormous significance in the ban on defensive nuclear weapons beyond the points that are covered in the agreement and in the treaty, an enormous significance in terms of the limitation of certain offensive categories, there remains a significant number of categories in the nuclear field that are not covered, and that is why I share the views that have been expressed by Foreign Minister Gromyko that we must now move from this first step to the vitally important next step in which we consider the whole range of offensive nuclear weapons and try to find agreement between our two nations in that field.

And then beyond, after that step is taken, we can look to the possibility of reducing the burden of nuclear arms and eventually to the possibility of limitations and restrictions on the use of such arms.

What we are in effect witnessing today then is, we believe, the beginning of a great historical process in which we have learned by working out these agreements, following as they do the Nonproliferation Treaty and the Test Ban Treaty, that we have found the way to make progress in other fields which can eventually lead to the goal that we all want: a world that is much safer and particularly a world that may possibly be free from the enormous danger of a nuclear disaster.

I think all of us are quite aware of the fact that the signing of these documents today, the signing of the documents that occurred earlier this year in the Kremlin, raise the hopes of all the people of the world for a dream of mankind from the beginning of civilization: a world of peace, a world in which peoples with different governments and different philosophies could live in peace together.

We believe that we have contributed to

that cause and to the realization of that dream, and as we take this first step, we look forward to working together in taking the next steps; we look forward particularly in being worthy of the hopes of the people of the world, and we can be worthy of those hopes if our two great nations can move together, not only to limit the burden of arms on ourselves but to lift the burden of fear of war from all of the people of the world.

LETTER FROM PRESIDENT NIXON TO CHAIRMAN PODGORNÝ

White House press release dated October 3

OCTOBER 2, 1972.

DEAR MR. CHAIRMAN: I am pleased to inform you that the United States of America accepts the Interim Agreement Between the United States of America and the Union of Soviet Socialist Republics on Certain Measures with Respect to the Limitation of Strategic Offensive Arms, and the Protocol thereto, signed at Moscow on May 26, 1972. Sincerely,

RICHARD NIXON.

Letters of Credence

Jamaica

The newly appointed Ambassador of Jamaica, Douglas Valmore Fletcher, presented his credentials to President Nixon on October 2. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated October 2.

Malagasy Republic

The newly appointed Ambassador of the Malagasy Republic, Henri Raharijaona, presented his credentials to President Nixon on October 2. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated October 2.

New Zealand

The newly appointed Ambassador of New Zealand, Lloyd White, presented his credentials to President Nixon on October 2. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated October 2.

Niger

The newly appointed Ambassador of the Republic of Niger, Abdoulaye Diallo, presented his credentials to President Nixon on October 2. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated October 2.

Sierra Leone

The newly appointed Ambassador of the Republic of Sierra Leone, Philip Jonathan Gbagu Palmer, presented his credentials to President Nixon on October 2. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated October 2.

Tanzania

The newly appointed Ambassador of the United Republic of Tanzania, Paul L. Bomani, presented his credentials to President Nixon on October 2. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated October 2.

Thailand

The newly appointed Ambassador of Thailand, Anand Panyarachun, presented his credentials to President Nixon on October 2. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated October 2.

Zaire

The newly appointed Ambassador of the Republic of Zaire, Lombo Lo Mangamanga, presented his credentials to President Nixon on October 2. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated October 2.

From Containment to Engagement

*Address by Secretary Rogers*¹

When the Council on Foreign Relations was founded 50 years ago, the United States had just emerged from a World War which had changed the entire climate of international affairs. It was a time of profound challenge for American foreign policy. It resulted in profound failure.

We proceeded on the premise that we had little at stake in international matters. We reduced our military strength to a minimum. We attempted to build a protectionist wall around our economy. We viewed the world from a distance. But in isolating ourselves from international responsibilities we did not isolate ourselves from world depression and world war.

In 1947, when the Council on Foreign Relations marked its 25th anniversary, the United States had just emerged from the Second World War. That war also brought sweeping change. This time we were determined to avoid the mistakes of the past. We were prepared to build a new international order based on involvement and mutual security.

We accepted the role of leadership in the free world. We embarked on major programs of rehabilitation and reconstruction of the war-damaged areas of the world, with former adversaries as well as with friends. We entered into a far-reaching alliance system, joining in mutual security obligations with 42 nations. These alliances, I firmly believe, have helped in preventing a third world war.

¹ Made before the Council on Foreign Relations at New York, N.Y., on Sept. 28 (press release 249 dated Sept. 29).

On this 50th anniversary of the council, the United States is again emerging from a conflict abroad—a long and frustrating war in Southeast Asia. Moreover, we are in a period of transition in foreign affairs, holding out future prospects for greater world stability.

This period of transition is marked by a new and quite different world. The United States, the Soviet Union, the European Community, Japan, and the People's Republic of China are playing leading roles, and other nations are also becoming increasingly important on the world stage.

This multipolar world is experiencing enormous change. The enlargement of the European Community, the rivalry between the two principal nations in the Communist world, the dramatic economic and social development of Japan and Germany, and in this country a tendency in some quarters to turn inward—these and many other factors contribute to a changing international pattern.

When he took office President Nixon saw that a policy which had evolved in a bipolar world had to be altered to meet the new conditions. A new approach was needed. It would require unprecedented initiatives in our relationships with former adversaries. And it would require strength and a continuing fidelity to our commitments to friends and allies.

In the first months of the Nixon administration we set forth our general policies: to enter an era of negotiation, to improve our relations with all countries where possible, and to reduce our military presence in the

world without adversely affecting the security of any area.

I ask you: How many of us could have foreseen in 1969 what would happen as a result of these policies?

—An American President visited Peking after more than 20 years of hostility and separation. As a result, we have set up regular channels of communication and exchanges and are steadily improving our relations with the People's Republic of China.

—An American President visited Moscow for the first time. This resulted in an agreement on limitation of strategic arms and a wide range of cooperative endeavors unprecedented in our relationship with the Soviet Union.

—In the Middle East, which was beset by violence in 1969, there is a cease-fire which resulted from an initiative taken by the United States 26 months ago.

—In 1969 Berlin was still a flashpoint of East-West tensions. Today, as a result of an agreement in which the United States was actively involved, the tensions have been reduced and the people of West Berlin, for the first time since the wall went up in 1961, can make regular visits to friends and relatives in East Berlin and East Germany.

Since becoming Secretary of State I have traveled to 52 countries and conferred with over 300 different heads of state, Prime Ministers, and Foreign Ministers. I am firmly convinced that America's policies in the world have never been better understood and respected.

President Nixon has brought us out of a period of confrontation into an era of negotiation. We are moving from a policy once characterized primarily by containment into a policy characterized by engagement.

In achieving this fundamental transformation of policy we have pursued several distinct but related objectives.

First, we have sought to encourage governments—friendly or unfriendly, partners or competitors—to talk to each other.

During the cold war period the conventional wisdom was that because of funda-

mental differences between adversaries they could not talk. We have proceeded from the opposite belief: that because we have important differences we must talk. Our foreign policy therefore is based on the conviction that communication between strangers—and negotiation between adversaries—serves the cause of a more tranquil world.

That is why we place such importance on our expanding relations with the Soviet Union and on our new relationship with China.

U.S.-Chinese trade, \$5 million last year, should exceed \$100 million this year. This weekend a 22-man group from the American Society of Newspaper Editors will arrive in Peking. And a 15-member Chinese medical group will arrive in Washington in two weeks.

Throughout the world, governments are talking to each other to a degree perhaps unknown since the war. Even in areas of tension or violence talks are in progress.

—The Federal Republic of Germany and the German Democratic Republic have opened negotiations on a treaty to normalize their relations.

—North and South Korea have begun, and are now intensifying, talks on the plight of divided families and have agreed to establish a joint committee to examine problems of unification.

—Pakistan and India, in the immediate aftermath of their third war in a generation, have entered into the important Simla agreement providing for the withdrawal of military forces.

—This week a Japanese Prime Minister has visited China; and the establishment of diplomatic relations seems only a matter of time.

We welcome this process in all parts of the world and are glad to have contributed to it by example and encouragement.

The Middle East, tragically, remains an exception. At the time of the brutal assassinations in Munich the climate for a settlement was improving. However, those killings have set off deplorable patterns of

action and counteraction and have seriously clouded prospects of early progress. Nevertheless, from diplomatic contacts we have had with both sides, we are convinced that the forces favoring a peaceful settlement still have the upper hand.

The "no war, no peace" situation in the area serves nobody's interest. For this reason this administration is determined to do all it can to bring about the negotiations between the parties which are the key to peace—a peace based on the November 1967 Security Council resolution. With adversaries throughout the world now talking to each other, there is no good reason why differences in the Middle East should be an exception. Momentum toward a settlement must be regained, and we remain available to play a helpful role.

Let me say a word about Viet-Nam. Our resolve to end the war has been backed up by President Nixon's proposals for a cease-fire in Indochina internationally supervised; an exchange of all prisoners of war; and a total withdrawal of American forces—leaving the political future of Viet-Nam to be worked out by the Vietnamese themselves. Such an approach would bring a negotiated peace fair to both sides. I can assure you we are pursuing negotiations seriously with that end in mind.

A second basic objective of our policy is to create an international atmosphere more open to the free flow of peoples and ideas and of goods and capital.

In a Europe which still bears the scars of its postwar division, the need to overcome the barriers that divide the continent is compelling. A Conference on Security and Cooperation in Europe, drawing together Foreign Ministers from more than 30 countries, will have a unique opportunity to take concrete steps to promote more normal relationships among Europe's nations.

There is also need for the world to move toward a new and freer international economic system as political and military competition diminish. International economic relations are assuming a new importance in the future foreign policy of the United States.

No aspect of U.S. policy will present a greater challenge to our diplomatic ingenuity over the next decade. Because I am so firmly convinced of this, we have been making special efforts to insure that our diplomacy will be equal to that challenge.

A third objective of our policy is to promote a reduction in reliance on force as a viable instrument of national policies.

The SALT [Strategic Arms Limitation Talks] agreements are a major step toward that objective. In the next round we intend to explore the reduction of offensive weapons and qualitative as well as more permanent quantitative limitations. Equally important is the opportunity the SALT framework provides us to conduct a regular exchange of views on strategic matters. Frank exchanges could head off the action-and-reaction cycles which in the past have threatened the strategic equilibrium that both sides are now committed to seek.

Our fourth major objective is to insure that the United States has adequate military strength. Our policy is not one of military supremacy, but it is one of military sufficiency. It is that sufficiency that has made it possible for us to negotiate in confidence.

Our purpose is to maintain a defense posture that is neither excessive nor provocative and to keep our defense budget as low as we can consistent with our national security. This I believe we have done.

—The defense budget today consumes the smallest share of our gross national product—less than 7 percent—of any budget since 1950.

—In 1969 there were 3.5 million in our armed forces; today there are 2.3 million. The civilian employees of the Department of Defense have been reduced by over 250,000.

—In 1969 we had 900 commissioned ships; today we have 600. We had 23 aircraft carriers; today we have 16. We had 144 tactical Air Force squadrons; today we have 103.

In my opinion further major reductions would be dangerous to our national security and our national interest.

Sharp cuts would deeply affect our general

purpose forces, whose combat size has already been substantially reduced. We would be forced back to a strategy of reliance on nuclear weapons. The flexibility of our forces to deal with smaller conflicts would be severely curtailed. I believe no American President should be put in that position.

There have been suggestions that we could substantially reduce our forces in Asia even further and cut our forces in Europe by more than half. Such actions would seriously shake the confidence of our allies in both Asia and Europe. Such actions would seriously undermine our foreign policy and endanger the peace and security of the world.

We are on the way to better relations with the Communist world. To weaken our defense posture now, to be forced to fall back on a reliance on nuclear weapons, would be a mistake of major proportions.

The world we have left was a world characterized principally by containment. The world we are entering should be a world characterized more by engagement:

—Engagement across lines of ideology to build a more stable international order.

—Engagement to insure that international economic competition is both fair and productive.

—Engagement for the United States, because we must continue to play a leading role in international affairs.

—Engagement in military strength with our friends and allies to continue the stability so necessary as we negotiate to reduce tension in the world.

—Engagement with other countries, developed and less developed, to improve the quality of life in this interdependent world.

This is the kind of engagement President Nixon had in mind when he spoke of building "a structure of peace to which all nations contribute and in which all nations have a stake."²

² The complete text of President Nixon's foreign policy report to the Congress on Feb. 9 appears in the BULLETIN of Mar. 13, 1972; part I, "1971—The Watershed Year—An Overview," begins on p. 314.

The distinguished work of this council for a half century testifies to its conviction that the United States must play an important role in the world. Today the character of that role is changing, but the need for it is not. I hope that during its next half century this organization will continue to be in the forefront of those who advocate a creative and constructive engagement of the United States in world affairs.

162d Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Ambassador William J. Porter, head of the U.S. delegation, at the 162d plenary session of the meetings on Viet-Nam at Paris on October 5.

Press release 251 dated October 5

Ladies and gentlemen: The complexity of the Viet-Nam conflict is recognized by most expert observers, however else their views may vary. Neither the situation nor its resolution has any need of additional complications. Unfortunately, the September 11 declaration by your side's Viet Cong component does little, if anything, to facilitate matters. On the contrary, aside from its numerous objectionable features which we have discussed in past sessions, the Viet Cong declaration compounds the difficulties by proposing an arbitrary, illogical formula and by failing to address some of the most important practical considerations. Indeed, your side has been unable to explain or interpret these proposals or to relate them to the fundamental requirements of the situation.

The restoration of peace is the most fundamental of these requirements. In short, the killing must be brought to an end. There is no more effective, more rapid way to do so than through an Indochina-wide cease-fire under international supervision. We are ready to begin negotiations at once so that a cease-fire may be established as soon as possible. If you would give higher priority to

terminating the hostilities than to obtaining satisfaction of all your demands, there is no reason why we could not complete negotiations for a cease-fire rapidly.

An internationally supervised cease-fire throughout Indochina would set in train the complete withdrawal of U.S. forces from Viet-Nam. Within four months from the date by which the cease-fire will have been instituted and American prisoners of war returned, there will no longer be any American military presence in South Viet-Nam, and American air and naval actions against the North would have ended with the cease-fire.

Please bear in mind that if you had responded positively to our proposals announced by President Nixon on May 8, the cease-fire, prisoner return, and complete American withdrawal could have taken place by now.¹ By failing to do so, you have deprived yourselves of a significant and mutually advantageous opportunity to restore peace. That opportunity is still available to you, if you will undertake serious negotiations with us concerning these steps toward peace.

What would ensue thereafter would depend upon the free exercise of self-determination by the South Vietnamese people, not upon the fortunes of war. The most appropriate modalities for the expression of the people's will could be decided by the Vietnamese parties themselves, through discussions unhindered by any predetermined

solutions or outbreaks of warfare. This would make possible a peaceful resolution of political issues within South Viet-Nam, and between North and South Viet-Nam as well.

If you wish to deal with political realities instead of abstract theories, you should accept the longstanding offer of the Government of the Republic of Viet-Nam to discuss political questions with you. This is yet another opportunity for a peaceful settlement which you have spurned but which remains open to you. Prove your avowed "flexibility" and "good will" by what you do now, not by what you say you might do if all your preconditions were fulfilled.

In sum, we are trying to persuade you to acknowledge that restoring peace in Viet-Nam is an inclusive effort comprising actions and commitments by both sides. You have sought to exclude yourselves from any responsibility in solving the military problems you alone have created. You have sought to undermine the legitimate authority of the Government of the Republic of Viet-Nam by demanding unilateral concessions before you will even agree to talk with it.

Since these attempts will not succeed, you should adopt a course which would not do violence to your basic interests. Real negotiations, not mere restatement of your demands, can begin here, today, if you will examine our side's proposals of May 8. Our proposals are negotiable and susceptible to explanation.

Will you agree that seeking to end hostilities is our most urgent task in this forum?

Will you, therefore, join with us in a common search for peace in Indochina?

¹ For President Nixon's address to the Nation on May 8, see BULLETIN of May 29, 1972, p. 747.

President Nixon Establishes Cabinet Committee To Combat Terrorism

The first meeting of the Cabinet Committee to Combat Terrorism, which President Nixon established on September 25, was held October 2. Following are texts of a memorandum from President Nixon to Secretary Rogers dated September 25, a statement by President Nixon issued at New York on September 27, a statement by Secretary Rogers issued on October 2, and a summary of recent actions made available to the press by the Department on October 2.

MEMORANDUM FROM PRESIDENT NIXON

Weekly Compilation of Presidential Documents dated October 2

SEPTEMBER 25, 1972.

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Action to Combat Terrorism

Your report to me on the measures that are being taken to combat terrorism indicates that we are moving effectively against the problem of thwarting acts of terrorism both here and abroad. The two committees you have set up to cope with this major problem are making commendable progress toward this end.

Because of the great importance and urgency I attach to dealing with the worldwide problem of terrorism, which encompasses diplomatic, intelligence, and law enforcement functions, I am hereby establishing a Cabinet Committee to Combat Terrorism.

The Cabinet Committee will be chaired by the Secretary of State and will comprise

The Secretary of State
The Secretary of the Treasury
The Secretary of Defense
The Attorney General
The Secretary of Transportation
The United States Ambassador to the United Nations

The Director of Central Intelligence
The Assistant to the President for National Security Affairs
The Assistant to the President for Domestic Affairs
The Acting Director of the Federal Bureau of Investigation

and such others as the Chairman may consider necessary.

The Cabinet Committee will be supported by a Working Group comprised of personally designated senior representatives of the members of the Committee, chaired by the designee of the Secretary of State.

The Committee will consider the most effective means by which to prevent terrorism here and abroad, and it will also take the lead in establishing procedures to ensure that our government can take appropriate action in response to acts of terrorism swiftly and effectively. The Secretary of State will be in touch with other governments and international organizations toward this goal.

Federal officers and Federal departments and agencies are to cooperate fully with the Cabinet Committee in carrying out its functions under this directive, and they shall comply with the policies, guidelines, standards, and procedures prescribed by the Cabinet Committee.

More specifically, the Cabinet Committee shall:

(1) Coordinate, among the government agencies, ongoing activity for the prevention of terrorism. This will include such activities as the collection of intelligence worldwide and the physical protection of U.S. personnel and installations abroad and foreign diplomats, and diplomatic installations in the United States.

(2) Evaluate all such programs and activities and where necessary recommend methods for their effective implementation.

(3) Devise procedures for reacting swiftly and effectively to acts of terrorism that occur.

(4) Make recommendations to the Director of the Office of Management and Budget concerning proposed funding of such programs; and

(5) Report to the President, from time to time, concerning the foregoing.

RICHARD NIXON.

STATEMENT BY PRESIDENT NIXON

White House press release dated September 26 (for release September 27)

Monday, here in New York, Secretary of State Rogers urged prompt action by the United Nations on three measures to combat the inhuman wave of terrorism that has been loosed on the world.¹ I am gratified that the United Nations has agreed to take up the urgent matter of terrorism and—in the strongest possible terms—I endorse the plea which the Secretary made on behalf of the United States and of human decency.

Also Monday, in Washington, I directed the establishment of a Cabinet Committee to Combat Terrorism, to be chaired by Secretary Rogers, aimed at bringing the full resources of all appropriate U.S. agencies to bear effectively on the task of eliminating terrorism wherever it occurs. I have charged it to move vigorously and immediately toward this end.

The use of terror is indefensible. It eliminates in one stroke those safeguards of civilization which mankind has painstakingly erected over the centuries.

But terror threatens more than the lives of the innocent. It threatens the very principles upon which nations are founded. In this sense, every nation in the United Nations, whatever its ideological assumptions, whoever its adversaries, wherever its sympathies, is united with every other nation by the common danger to the sovereignty of each.

¹ For a statement by Secretary Rogers made before the U.N. General Assembly on Sept. 25 and texts of a U.S. draft convention and resolution on terrorism, see BULLETIN of Oct. 16, 1972, p. 425.

If the world cannot unite in opposition to terror, if we cannot establish some simple ground rules to hold back the perimeters of lawlessness, if, in short, we cannot act to defend the basic principles of national sovereignty in our own individual interests, then upon what foundations can we hope to establish international comity?

There are those who would tell us that terror is the last resort of the weak and the oppressed, a product of despair in an age of indifference, and that it seeks only political justice. This is nonsense. The way to seek justice is through negotiation. We have sought in our own relations to turn from confrontation to negotiation. We believe that this is the only way for grievances to be resolved in a way that will contribute to peace and stability.

In recent months we have seen nations moving to achieve accommodation and the resolution of differences, and we have seen terrorists acting to destroy those efforts. The time has come for civilized people to act in concert to remove the threat of terrorism from the world.

The world is reaching out for peace. The way may be hard and treacherous, but men of reason and decency are determined today, as perhaps never before, to make the effort. Let us not be disrupted or turned away by those who would loose anarchy upon the world; let us seek no accommodations with savagery, but rather act to eliminate it.

STATEMENT BY SECRETARY ROGERS

Press release 250 dated October 2

I convened today the first meeting of the Cabinet Committee which President Nixon established on September 25 to develop and coordinate activities throughout the government to deal quickly and effectively with the problem of international terrorism. The following members of the Committee were present: Secretary of Defense Melvin Laird, Attorney General Richard Kleindienst, Secretary of Transportation John Volpe, U.S. Ambassador to the U.N. George Bush, Direc-

tor of the Central Intelligence Agency Richard Helms, Assistant to the President for Domestic Affairs John Ehrlichman, Acting Director of the Federal Bureau of Investigation Patrick Gray.

This morning I asked several members of the Committee and officials of the Department of State to review the diplomatic, intelligence, and enforcement initiatives we have already taken to attack the problem of terrorism. The Committee agreed that these are realistic ways to respond to the widespread terrorism which the world has witnessed in recent weeks.

Following these reports, the members of the Committee concentrated on additional or possible next steps by this government. The Committee discussed the following among other steps:

—Our delegation to ICAO [International Civil Aviation Organization] is receiving new instructions to urge the Council to complete a treaty which will carry sanctions, including the suspension of air service, against countries which fail to punish or extradite hijackers or saboteurs of civil aircraft. We hope ICAO will respond positively to this initiative, which could significantly shorten the time required to close one of the loopholes in the body of international law dealing with hijacking and sabotage of civil aircraft. I want to repeat today what I told the United Nations General Assembly a week ago: "A nation which is a haven for hijackers should be outlawed by the international community." Our Embassies will be instructed to develop broad international support for this initiative.

—Representatives of this government will meet in Paris this month with senior officials of Interpol, IATA [International Criminal Police Organization; International Air Transport Association], and ICAO to maximize the exchange of intelligence among member states on both hijacking and terrorism. We welcome the special attention which Interpol is now giving to the problem of mail bombings.

—Last week the United States circulated

a draft convention which could make it much more difficult and dangerous for terrorists and terrorist organizations to "export" their activities to third countries. Ambassador Bush will move for the earliest possible action on this draft in the Legal Committee of the General Assembly. We also hope to complete work during this General Assembly on the treaty providing for prosecution or extradition of terrorists who commit crimes against diplomats and government officials. We urge members of the Legal Committee to move immediately on these two important conventions. While these are complicated matters, and while we will welcome constructive debate, we will oppose any effort to delay serious discussion and action in completing these two conventions.

—The Committee also considered further steps in the field of intelligence and enforcement. The Committee's Working Group will begin immediately to develop additional contingency plans for anticipation of further terrorist acts.

The Committee approved my recommendation that Ambassador Armin H. Meyer chair its Working Group. Ambassador Meyer will also serve as my Special Assistant and Coordinator for Combatting Terrorism.

What we seek is broad international action to combat this threat to civilized society. The U.S. Government will spare no efforts in attempting to cope with future terrorist actions and to cut off avenues of escape, whether they be in the field of enforcement or international law. We welcome the efforts which other governments are taking in their own right and in cooperation with us.

SUMMARY OF RECENT ACTIONS

OCTOBER 2, 1972.

Following President Nixon's directive to Secretary Rogers to undertake on an urgent basis efforts both internationally and in this country to prevent terrorist acts, the Department of State with other executive agencies moved quickly on both fronts.

On the domestic side—

U.S. intelligence and security agencies were immediately brought together to pool their resources and, in cooperation with local law enforcement authorities across the Nation, to give top priority to deterrence and prevention of terrorist acts.

Visa procedures and immigration and customs procedures were immediately tightened to screen more carefully potential terrorists seeking to enter the United States.

The regulation allowing transit of the United States without a visa with a layover period of up to 10 days has been rescinded until January 1, 1973. All persons transiting the United States must have a visa effective September 27.

The protection of foreign diplomats and the property of foreign governments, as well as other potential targets of terrorists, was immediately increased. All security agencies, including local police jurisdictions, are being supplied details concerning scheduled appearances of performing arts groups in the United States and names of visiting dignitaries and missions, and appropriate security is being provided.

The Department of State sought urgent passage of legislation for protection of foreign officials and official guests to give the Federal Government jurisdiction concurrent with that of the States to prosecute and investigate acts against these individuals. The bill has passed the House and Senate and now is in conference. Final action should occur during the week of October 2.

On the international side—

On September 6-7 the Department of State called in Ambassadors or Chargés of some 50 countries to discuss what collective international action might be taken against terrorism. In response, there have been several concrete suggestions as to practical steps to halt terrorism.

Secretary Rogers addressed the Special Subcommittee of ICAO on September 6 to present forcefully the U.S. views on the need for the Organization as well as the international community to devise more effective

means for coping with the problem of terrorism.² The subcommittee meeting succeeded in forwarding draft articles for a convention on suspension of air service to countries which fail to punish or extradite hijackers or saboteurs of civil aircraft for consideration at the earliest possible meeting of the full Legal Committee. In response to a U.S. proposal that a diplomatic conference on the new convention be convened as soon as possible, the ICAO Council on September 29 decided to consider the U.S. proposal in late October or early November after governments consider the full report of the Washington subcommittee meeting.

On September 7 the Secretary asked the Deputy Secretary to take charge of the overall coordination of the Department's activities against terrorism. A committee to study and make recommendations on international action chaired by Assistant Secretary Sisco was established. A committee to study and make recommendations to prevent terrorist actions against foreigners in the United States was set up under Deputy Under Secretary Macomber. Both committees met on a frequent basis. Several dozen ideas and proposals have been studied, many adopted, and action programs have been implemented.

On September 9 all diplomatic posts were asked to deliver a personal letter from the Secretary to Foreign Ministers which informed them that the United States had begun consultations on measures to counter terrorism, welcomed their suggestions, and urged them to aid in enlisting all countries to become parties to existing conventions dealing with crimes against civil aviation. The letter was delivered to the highest foreign ministry official available in each country and responses have been received, collated, and summarized. The response was overwhelmingly in support of international cooperation and action toward ratification of the three major conventions on aviation offenses.

On September 13 more than 50 U.S. Ambassadors or Chargés were instructed to deliver a personal letter from the Secretary to

² BULLETIN of Oct. 2, 1972, p. 360.

Foreign Ministers in which it was noted that the Secretary intended to devote an appreciable portion of his U.N. General Assembly address to the need to counter international terrorism. Many other Foreign Ministers have dealt with or have indicated they will include reference to terrorism in their U.N. General Assembly addresses.

The Secretary wrote U.N. Secretary General Waldheim on September 14 welcoming the latter's initiative in requesting the inclusion in the agenda of the 27th General Assembly of an item on terrorism. After considerable wrangling, this item was placed in sixth place on the agenda of the Sixth Committee and is scheduled to be taken up in the latter part of October.

At the United Nations, the United States strongly supported U.N. Secretary General Waldheim's initiative to include international terrorism on the agenda of the current session of the General Assembly. Speaking to the Assembly on September 25 Secretary Rogers called on the United Nations to undertake vigorous actions against international crimes of violence. Among his specific recommendations he urged:

—All states which have not done so to adhere to existing international conventions requiring prosecution or extradition of persons who commit offenses against the safety of civil aviation.

—Early completion of an ICAO convention providing for the suspension of air service to countries not meeting their obligations under the conventions on aviation offenses.

—Prompt adoption of the draft convention to prosecute or extradite those who attack or kidnap diplomats or officials of foreign governments or international organizations.

—The prompt convening of a diplomatic conference to adopt a new convention on the prevention and punishment of other acts of international terrorism. On September 25 the United States circulated to other nations a draft proposal for a convention of this kind and submitted to the General Assembly a draft resolution containing our overall recommendations for Assembly action.

The United States circulated to selected members of the Sixth Committee a draft resolution seeking adoption of the ILC [International Law Commission] draft convention on the protection of diplomats. This item is now under consideration.

The United States decided to make terrorism a major issue at the Interpol General Assembly which met in Frankfurt September 19–27 and to enlist this organization in the fight against international terrorism. A resolution was passed unanimously at the General Assembly which pledges the member countries to “utilize existing machinery and services of Interpol” to prevent or suppress terrorism. A separate resolution, adopted with 67 votes in favor, none against, and 3 abstentions, recommended that affiliated countries which have not already done so adhere to the ICAO conventions on aviation offenses and adopt the principles and measures recommended therein.

The U.S. delegation to the IPU [Interparliamentary Union] meeting presently at Rome was contacted and briefed on current efforts to coordinate international action against terrorism. The delegation has informed us that terrorism is a major item on the agenda and that the U.S. delegation has tabled a draft resolution which calls for internal and external measures against terrorism. A resolution containing some of our points was passed September 29 without formal vote.

The Department has energetically pressed for action on the 1970 Hague Hijacking Convention and the 1971 Montreal Convention on Unlawful Acts Against the Safety of Civil Aviation. We have already ratified the Hague Convention, and the implementing legislation will be enacted if the Senate accepts the House version. The President submitted the Montreal Convention to the Senate on September 15, hearings were held on September 22, and on September 29 the Senate Foreign Relations Committee ordered it reported to the floor for advice and consent to ratification.

All diplomatic and consular posts were immediately alerted to increased acts of terror-

ism against diplomatic personnel abroad. Posts were requested to review and update existing plans for the protection of overseas personnel and report. Intelligence on terrorists and terrorist groups, their movements, and activities has been more widely disseminated.

Details concerning letter bombs were furnished to all overseas posts. Detailed assistance and guidance was provided all posts in the handling of suspicious letters or packages.

We have kept in close touch with other governments with regard to (a) measures we have undertaken in the United States and (b) our efforts in the international field.

Waiver of Transit Visas Suspended for Remainder of 1972

Following is the text of a notice of suspension which was published in the Federal Register on September 27.

NONIMMIGRANT DOCUMENTARY WAIVER; SUSPENSION

The general increased threat of terrorist activities in the United States, together with indications that such activities may be planned during the current sessions of the United Nations General Assembly, have created an emergent situation in which it is necessary to screen more carefully applicants for entry into the United States. The provision for admission of aliens in immediate transit without non-immigrant visa precludes screening of such aliens prior to their arrival at a port of entry in the United States. Therefore, Part 41, Chapter I, Title 22 of the Code of Federal Regulations is amended by suspending until January 1, 1973, the waiver of the nonimmigrant visa requirement in the case of aliens in immediate transit.

Paragraph (e) of § 41.6 is suspended until January 1, 1973.

Effective date. The amendments to the regulations contained in this order shall become effective upon publication in the *FEDERAL REGISTER* (9-27-72).¹

The provisions of the Administrative Procedure Act (80 Stat. 383; 5 U.S.C. 553) relative to notice of proposed rule making are inapplicable to this

order because the regulations contained herein involve foreign affairs functions of the United States.

(Sec. 104, 66 Stat. 174; 8 U.S.C. 1104)

Dated: September 22, 1972.

WILLIAM P. ROGERS,
Secretary of State.

Concurred in:

RICHARD G. KLEINDIENST,
Attorney General.

SEPTEMBER 25, 1972.

President Signs Bill on Transmittal to Congress of Executive Agreements

Following is a notice for the press issued by the Western White House at San Clemente, Calif., on August 26.

The President has signed S. 596, which requires that international agreements other than treaties hereafter entered into by the United States be transmitted to the Congress not more than 60 days after entry into force.¹

The bill provides that the Secretary of State will transmit to Congress the text of any international agreement, other than a treaty, to which the United States is a party as soon as practicable after the agreement has entered into force but in no case more than 60 days thereafter. Secondly, the bill provides that:

... any such agreement the immediate public disclosure of which would, in the opinion of the President, be prejudicial to the national security of the United States shall not be so transmitted to the Congress but shall be transmitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives under an appropriate injunction of secrecy to be removed only upon due notice from the President.

In explaining the purposes of S. 596, the House Foreign Affairs Committee empha-

¹ As enacted, the bill is Public Law 92-403, 92d Cong., 2d sess., signed on Aug. 22.

¹ 37 *Fed. Reg.* 20176.

sized that "the right of the President to conclude executive agreements is not in question here, or in any way affected by S. 596. Thus the bill in no way transgresses on the independent authority of the Executive in the area of foreign affairs." Rather, the committee termed the bill "a step toward restoring a proper working relationship between the Congress and the executive branch in the area of foreign affairs. By establishing in law a formal procedure for the transmittal to Congress of all executive agreements, the bill would eliminate one potential source of friction."

Petroleum Import Quotas Modified by President Nixon

A PROCLAMATION¹

MODIFYING PROCLAMATION 3279, RELATING TO IMPORTS OF PETROLEUM AND PETROLEUM PRODUCTS

Pursuant to paragraph (a) of section 6 of Proclamation 3279,² as amended, the Director of the Office of Emergency Preparedness maintains a constant surveillance of imports of petroleum and its primary derivatives and their effect on national security. The Director has found that changes in the supply of and demand for petroleum and its derivatives have been occurring rapidly and additional flexibility should be provided for the orderly administration of Proclamation 3279, as amended, during the remainder of 1972. Therefore, the Director has recommended, with the advice of the Oil Policy Committee, that additional imports of No. 2 fuel oil be permitted and that holders of certain allocations under said Proclamation should be permitted to import petroleum and its derivatives in advance of allocations to be made for 1973.

I agree with the above finding and recommendation of the Director and deem it necessary and consistent with the security objectives of Proclamation 3279, as amended, to adjust the imports of petroleum and petroleum products, and to improve the administration of the program, as hereinafter provided.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, acting under and by virtue of the authority vested in me by the Consti-

tution and laws of the United States, including section 232 of the Trade Expansion Act of 1962, do hereby proclaim that, effective as of this date, Proclamation 3279, as amended, is further amended as follows:

1. In subparagraph (1) of paragraph (a) of section 2, add the following sentence after the third sentence, "In addition to the quantity of No. 2 fuel oil provided in the preceding sentence, the Secretary may allocate for the period January 1, 1972, through December 31, 1972, an additional 5,000 barrels per day of such fuel oil to persons who qualify for allocations under the preceding sentence."

2. Add the following subparagraph (3) in paragraph (a) of section 2:

"(3) For the allocation period January 1, 1972, through December 31, 1972, the Secretary may make allocations in excess of the levels provided in subparagraph (1) of this paragraph which excess allocations may be imported at any time through December 31, 1973. However, no allocation under this subparagraph shall be made to any person to whom an allocation was not made prior to September 1, 1972, and any such excess allocation shall not exceed 10% of the allocations made to any such allocation holder prior to September 1, 1972 for the allocation year commencing January 1, 1972. Any such excess allocation shall be deducted from any allocation which may be hereafter made to him for the period January 1, 1973, through December 31, 1973."

IN WITNESS WHEREOF, I have hereunto set my hand this eighteenth day of September, in the year of our Lord nineteen hundred seventy-two and of the Independence of the United States of America the one hundred ninety-seventh.



Congressional Documents Relating to Foreign Policy

92d Congress, 2d Session

International Boundary and Water Commission. Report to accompany H.R. 15462. H. Rept. 92-1304. August 3, 1972. 7 pp.

American-Mexican Boundary Treaty Act of 1972. Report to accompany H.R. 15461. H. Rept. 92-1305. August 3, 1972. 8 pp.

Amending Sections 101 and 902 of the Federal Aviation Act of 1958. Report to accompany S. 2280, a

¹ No. 4156; 37 *Fed. Reg.* 19115.

² 24 *Fed. Reg.* 1781; 3 *CFR* 1959-1963 Comp., p. 11.

bill to amend sections 101 and 902 of the Federal Aviation Act of 1958, as amended, to implement the Convention for the Suppression of Unlawful Seizure of Aircraft and to amend title XI of such act to authorize the President to suspend air service to any foreign nation which he determines is encouraging aircraft hijacking by acting in a manner inconsistent with the Convention for the Suppression of Unlawful Seizure of Aircraft and to authorize the Secretary of Transportation to revoke the operating authority of foreign air carriers under certain circumstances. S. Rept. 92-1012. August 4, 1972. 51 pp.

Moratorium on the Killing of Polar Bears. Report to accompany H.J. Res. 1268. H. Rept. 92-1307. August 7, 1972. 3 pp.

Authorizing an Appropriation for Annual Contributions by the United States for the Support of the International Agency for Research on Cancer. Report to accompany H.J. Res. 1257. H. Rept. 92-1309. August 7, 1972. 3 pp.

THE UNITED NATIONS

Agenda of the 27th Regular Session of the U.N. General Assembly¹

U.N. doc. A/8801

1. Opening of the session by the Chairman of the delegation of Indonesia.
2. Minute of silent prayer or meditation.
3. Credentials of representatives to the twenty-seventh session of the General Assembly:
 - (a) Appointment of the Credentials Committee;
 - (b) Report of the Credentials Committee.
4. Election of the President.
5. Constitution of the Main Committees and election of officers.
6. Election of the Vice-Presidents.
7. Notification by the Secretary-General under Article 12, paragraph 2, of the Charter of the United Nations.
8. Adoption of the agenda.
9. General debate.
10. Report of the Secretary-General on the work of the Organization.
11. Report of the Security Council.
12. Report of the Economic and Social Council.
13. Report of the Trusteeship Council.
14. Report of the International Court of Justice.
15. Report of the International Atomic Energy Agency.
16. Election of five non-permanent members of the Security Council.
17. Election of nine members of the Economic and Social Council.
18. Election of five members of the International Court of Justice.
19. Election of fifteen members of the Industrial Development Board.
20. Co-operation between the United Nations and the Organization of African Unity.
21. The situation in the Middle East.
22. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples: report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.
23. Admission of new Members to the United Nations.
24. Strengthening of the role of the United Nations with regard to the maintenance and consolidation of international peace and security, the development of co-operation among all nations and the promotion of the rules of international law in relations between States.
25. Non-use of force in international relations and permanent prohibition of the use of nuclear weapons.
26. World Disarmament Conference: report of the Secretary-General.
27. Implementation of the results of the Conference of Non-Nuclear-Weapon States: report of the International Atomic Energy Agency.
28. International co-operation in the peaceful uses of outer space: report of the Committee on the Peaceful Uses of Outer Space.
29. Preparation of an international treaty concerning the Moon: report of the Committee on the Peaceful Uses of Outer Space.
30. General and complete disarmament:
 - (a) Report of the Conference of the Committee on Disarmament;
 - (b) Report of the International Atomic Energy Agency;
 - (c) Report of the Secretary-General under General Assembly resolution 2852 (XXVI), paragraph 5.
31. Chemical and bacteriological (biological) weapons: report of the Conference of the Committee on Disarmament.
32. Urgent need for suspension of nuclear and thermonuclear tests.
 - (a) Report of the Conference of the Committee on Disarmament;
 - (b) Report of the Secretary-General.
33. Implementation of General Assembly resolution 2830 (XXVI) concerning the signature and ratification of Additional Protocol II of the Treaty

¹ Adopted by the Assembly on Sept. 25.

- for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco): report of the Secretary-General.
34. Declaration of the Indian Ocean as a zone of peace: report of the Secretary-General.
 35. Implementation of the Declaration on the Strengthening of International Security: report of the Secretary-General.
 36. Reservation exclusively for peaceful purposes of the sea-bed and the ocean floor, and the subsoil thereof, underlying the high seas beyond the limits of present national jurisdiction and use of their resources in the interests of mankind, and convening of a conference on the law of the sea: report of the Committee on the Peaceful Uses of the Sea-Bed and the Ocean Floor beyond the Limits of National Jurisdiction.
 37. Preparation of an international convention on principles governing the use by States of artificial earth satellites for direct television broadcasting.
 38. The policies of *apartheid* of the Government of South Africa:
 - (a) Reports of the Special Committee on *Apartheid*;
 - (b) Reports of the Secretary-General.
 39. Effects of atomic radiation: report of the United Nations Scientific Committee on the Effects of Atomic Radiation.
 40. United Nations Relief and Works Agency for Palestine Refugees in the Near East:
 - (a) Report of the Commissioner-General;
 - (b) Report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;
 - (c) Report of the United Nations Conciliation Commission for Palestine;
 - (d) Reports of the Secretary-General.
 41. Comprehensive review of the whole question of peace-keeping operations in all their aspects: report of the Special Committee on Peace-keeping Operations.
 42. Report of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories.
 43. United Nations Conference on Trade and Development:
 - (a) Report of the Conference on its third session;
 - (b) Report of the Trade and Development Board;
 - (c) Confirmation of the appointment of the Secretary-General of the United Nations Conference on Trade and Development.
 44. United Nations Industrial Development Organization:
 - (a) Report of the Industrial Development Board;
 - (b) Report of the *Ad Hoc* Committee on Co-operation between the United Nations Development Programme and the United Nations Industrial Development Organization;
 - (c) Confirmation of the appointment of the Executive Director of the United Nations Industrial Development Organization.
 45. United Nations Institute for Training and Research: report of the Executive Director.
 46. Operational activities for development: reports of the Governing Council of the United Nations Development Programme:
 - (a) United Nations Development Programme;
 - (b) United Nations Capital Development Fund;
 - (c) Technical co-operation activities undertaken by the Secretary-General;
 - (d) United Nations Volunteers programme.
 47. United Nations Conference on the Human Environment: report of the Secretary-General.
 48. Question of the establishment of an international university.
 49. Human rights in armed conflicts:
 - (a) Respect for human rights in armed conflicts: report of the Secretary-General under General Assembly resolutions 2852 (XXVI), paragraph 8, and 2853 (XXVI);
 - (b) Protection of journalists engaged in dangerous missions in areas of armed conflict: report of the Secretary-General.
 50. Elimination of all forms of racial discrimination:
 - (a) Reports of the Secretary-General under General Assembly resolutions 2784 (XXVI) and 2785 (XXVI);
 - (b) Report of the Committee on the Elimination of Racial Discrimination;
 - (c) Status of the International Convention on the Elimination of All Forms of Racial Discrimination: report of the Secretary-General;
 - (d) Draft convention on the suppression and punishment of the crime of *apartheid*.
 51. Importance of the universal realization of the right of peoples to self-determination and of the speedy granting of independence to colonial countries and peoples for the effective guarantee and observance of human rights.
 52. Principles of international co-operation in the detection, arrest, extradition and punishment of persons guilty of war crimes and crimes against humanity.
 53. Crime prevention and control.
 54. Youth, its education in the respect for human rights and fundamental freedoms, its problems and needs, and its active participation in national development and international co-operation:
 - (a) Channels of communication with youth and international youth organizations: report of the Secretary-General;
 - (b) Implementation of the Declaration on the Promotion among Youth of the Ideals of Peace, Mutual Respect and Understanding between Peoples.
 55. Status of the International Covenant on Economic, Social and Cultural Rights, the Interna-

- tional Covenant on Civil and Political Rights and the Optional Protocol to the International Covenant on Civil and Political Rights: report of the Secretary-General.
56. Office of the United Nations High Commissioner for Refugees:
 - (a) Report of the High Commissioner;
 - (b) Question of the continuation of the Office of the High Commissioner.
 57. Freedom of information:
 - (a) Draft Declaration on Freedom of Information;
 - (b) Draft Convention on Freedom of Information.
 58. Human rights and scientific and technological developments: report of the Secretary-General.
 59. Elimination of all forms of religious intolerance:
 - (a) Draft Declaration on the Elimination of All Forms of Religious Intolerance;
 - (b) Draft International Convention on the Elimination of All Forms of Intolerance and of Discrimination Based on Religion or Belief.
 60. Programme for the observance of the twenty-fifth anniversary of the Universal Declaration of Human Rights.
 61. Assistance in cases of natural disaster and other disaster situations: report of the Secretary-General.
 62. United Nations conference for a world convention on adoption law.
 63. Information from Non-Self-Governing Territories transmitted under Article 73 *e* of the Charter of the United Nations:
 - (a) Report of the Secretary-General;
 - (b) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.
 64. Question of Namibia:
 - (a) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;
 - (b) Report of the United Nations Council for Namibia;
 - (c) Question of the enlargement of the United Nations Council for Namibia: report of the Secretary-General;
 - (d) United Nations Fund for Namibia: report of the Secretary-General;
 - (e) Appointment of the United Nations Commissioner for Namibia.
 65. Question of Territories under Portuguese administration:
 - (a) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;
 - (b) Report of the Secretary-General.
 66. Question of Southern Rhodesia:
 - (a) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;
 - (b) Report of the Secretary-General.
 67. Activities of foreign economic and other interests which are impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in Southern Rhodesia, Namibia and Territories under Portuguese domination and in all other Territories under colonial domination and efforts to eliminate colonialism, *apartheid* and racial discrimination in southern Africa: report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.
 68. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations:
 - (a) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;
 - (b) Reports of the Secretary-General.
 69. United Nations Educational and Training Programme for Southern Africa: report of the Secretary-General.
 70. Offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories: report of the Secretary-General.
 71. Financial reports and accounts for the year 1971 and reports of the Board of Auditors:
 - (a) United Nations;
 - (b) United Nations Development Programme;
 - (c) United Nations Children's Fund;
 - (d) United Nations Relief and Works Agency for Palestine Refugees in the Near East;
 - (e) United Nations Institute for Training and Research;
 - (f) Voluntary funds administered by the United Nations High Commissioner for Refugees.
 72. Supplementary estimates for the financial year 1972.
 73. Budget estimates for the financial year 1973.
 74. Planning estimate for the financial year 1974.
 75. Pattern of conferences: report of the Secretary-General.
 76. Appointments to fill vacancies in the membership of subsidiary organs of the General Assembly:
 - (a) Advisory Committee on Administrative and Budgetary Questions;
 - (b) Committee on Contributions;
 - (c) Board of Auditors;

(d) Investments Committee: confirmation of the appointments made by the Secretary-General;

(e) United Nations Administrative Tribunal.

77. Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions.

78. Administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency: reports of the Advisory Committee on Administrative and Budgetary Questions.

79. Joint Inspection Unit:

(a) Reports of the Joint Inspection Unit;

(b) Question of the continuation of the Joint Inspection Unit: report of the Secretary-General.

80. Publications and documentation of the United Nations:

(a) Report of the Secretary-General;

(b) Report of the Advisory Committee on Administrative and Budgetary Questions.

81. Personnel questions:

(a) Composition of the Secretariat: report of the Secretary-General;

(b) Other personnel questions: report of the Secretary-General.

82. Report of the United Nations Joint Staff Pension Board.

83. United Nations salary system: report of the Special Committee for the Review of the United Nations Salary System.

84. United Nations International School: report of the Secretary-General.

85. Report of the International Law Commission on the work of its twenty-fourth session.

86. Report of the United Nations Commission on International Trade Law on the work of its fifth session.

87. Representation of States in their relations with international organizations.

88. Report of the Special Committee on the Question of Defining Aggression.

89. Need to consider suggestions regarding the review of the Charter of the United Nations: report of the Secretary-General.

90. Review of the role of the International Court of Justice.

91. Report of the Committee on Relations with the Host Country.

92. Measures to prevent international terrorism which endangers or takes innocent human lives or jeopardizes fundamental freedoms, and study of the underlying causes of those forms of terrorism and acts of violence which lie in misery, frustration, grievance and despair and which cause some people to sacrifice human lives, including their own, in an attempt to effect radical changes.

TREATY INFORMATION

United States and Israel Establish Binational Science Foundation

Press release 244 dated September 27

Secretary Rogers and Israeli Finance Minister Pinhas Sapir signed an agreement on September 27 at New York establishing the United States-Israeli Binational Science Foundation.

This agreement is a major landmark in the development of close cooperation between the scientific communities of Israel and the United States which has evolved over the years.

The Foundation, whose base of operations will be in Israel, creates a permanent institution "to promote and support cooperation between the United States and Israel in research in science and technology for peaceful purposes on subjects of mutual interest." In the agreement, the two governments express the conviction that international cooperation in science and technology will strengthen the bonds of friendship and understanding between their peoples and will advance the state of science and technology to the benefit of both countries, as well as mankind generally.

The United States and Israel will each provide the equivalent of \$30 million in Israeli pounds for the Foundation's endowment. The U.S. contribution will consist of prepayments by Israel of Public Law 480 loans which were due in the period 1988-2001. The Government of Israel will guarantee an interest rate of 3½ percent on the endowment, which will provide the Foundation's basic operating income. The Foundation is also empowered to receive contributions of funds, property, and services.

A Board of Governors consisting of 10 members, five appointed by and serving at the pleasure of each government, will deter-

mine the areas for cooperative research, the research programs, and the Foundation's financial and managerial policies. The Board will normally meet once a year in Israel. Members of the Board, who have not yet been named, will serve without compensation.

Summaries of the results of the cooperative research projects sponsored by the Foundation will be made available to the public both in English and in Hebrew.

Current Actions

MULTILATERAL

Antarctica

Recommendations, including agreed measures for conservation of Antarctic fauna and flora. Adopted at Brussels June 2-13, 1964, at the Third Antarctic Treaty Consultative Meeting. Entered into force July 27, 1966. TIAS 6058.

Notification of approval of recommendations III-VIII: France, September 20, 1972.

Atomic Energy

Amendment of article VI of the statute of the International Atomic Energy Agency of October 26, 1956, as amended (TIAS 3873, 5284). Done at Vienna September 28, 1970.¹

Acceptances deposited: Guatemala, October 3, 1972; Philippines, October 5, 1972.

Aviation

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971.¹

Senate advice and consent to ratification: October 3, 1972.

Signature: Fiji, August 21, 1972.

Ratifications deposited: Mongolia (with a reservation), September 14, 1972; Yugoslavia, October 2, 1972.

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.

Ratification deposited: Yugoslavia, October 2, 1972.

Customs

Customs convention on the international transit of goods (ITI Convention). Done at Vienna June 7, 1971.¹

Signatures: Chad (subject to ratification), June 21, 1972; Poland (subject to ratification), June 26, 1972.

¹ Not in force.

Fisheries

Protocol to the international convention for the Northwest Atlantic fisheries (TIAS 2089), relating to amendments to the convention. Done at Washington October 6, 1970.¹

Senate advice and consent to ratification: October 3, 1972 (with an understanding).

Narcotic Drugs

Single convention on narcotic drugs. Done at New York March 30, 1961. Entered into force December 13, 1964; for the United States June 24, 1967. TIAS 6298.

Ratification deposited: Iran, August 30, 1972.

Nuclear Weapons—Nonproliferation

Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force March 5, 1970. TIAS 6839.

Ratification deposited: Philippines, October 5, 1972.

Postal Matters

Additional protocol to the constitution of the Universal Postal Union with final protocol signed at Vienna July 10, 1964 (TIAS 5881), general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971, except for article V of the additional protocol, which entered into force January 1, 1971. TIAS 7150.

Ratifications deposited: Italy, August 30, 1972; Khmer Republic, August 3, 1972; Mali, August 18, 1972.

Accession deposited: Fiji (with reservations), August 14, 1972.

Money orders and postal travellers' cheques agreement, with detailed regulations and forms. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971; for the United States December 31, 1971. TIAS 7236.

Ratifications deposited: Italy, August 30, 1972; Khmer Republic, August 3, 1972; Mali, August 18, 1972.

Property—Industrial

Locarno agreement establishing an international classification for industrial designs, with annex. Done at Locarno October 8, 1968. Entered into force April 27, 1971; for the United States May 25, 1972. TIAS 7420.

Ratification deposited: Union of Soviet Socialist Republics (with a declaration), September 8, 1972.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Done at New York December 21, 1965. Entered into force January 4, 1969.²

Accession deposited: Togo, September 1, 1972.

² Not in force for the United States.

Safety at Sea

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London November 26, 1968, and October 21, 1969.¹

Senate advice and consent to ratification: October 3, 1972.

Telecommunications

Partial revision of the 1959 radio regulations, as amended (TIAS 4893, 5603, 6332, 6590), on space telecommunications, with annexes. Done at Geneva July 17, 1971.¹

Notifications of approval: South Africa, July 11, 1972; Sweden, July 25, 1972.

BILATERAL

Brazil

Agreement concerning shrimp, with annexes, agreed minute, and exchanges of notes. Signed at Brasilia May 9, 1972.¹

Senate advice and consent to ratification: October 3, 1972.

Honduras

Treaty on the Swan Islands, with related notes. Signed at San Pedro Sula November 22, 1971. Entered into force September 1, 1972.

Proclaimed by the President: September 19, 1972.

Liechtenstein

Agreement concerning reciprocity of payment of certain social security benefits. Effected by exchange of notes at Bern April 13, 1972. Entered into force April 13, 1972; effective July 1, 1968.

Mexico

Agreement relating to the deposit by Mexico of 10 percent of the value of military training scholarships provided by the United States. Effected by exchange of notes at México April 4 and July 12, 1972. Entered into force July 12, 1972; effective February 7, 1972.

Pakistan

Agreement for sales of agricultural commodities, relating to the agreement of May 11, 1967 (TIAS 6258). Signed at Islamabad September 21, 1972. Entered into force September 21, 1972.

Saudi Arabia

Agreement relating to the deposit by Saudi Arabia of 10 percent of the value of grant military assistance furnished by the United States. Effected by exchange of notes at Jidda April 11 and 19 and May 15, 1972. Entered into force May 15, 1972.

Union of Soviet Socialist Republics

Treaty on the limitation of antiballistic missile systems. Signed at Moscow May 26, 1972.

Ratified by the President: September 30, 1972.

¹ Not in force.

Ratifications exchanged: October 3, 1972.

Entered into force: October 3, 1972.

Proclaimed by the President: October 3, 1972.

Interim agreement on certain measures with respect to the limitation of strategic offensive arms, with protocol. Signed at Moscow May 26, 1972.

Entered into force: October 3, 1972.

PUBLICATIONS

"Foreign Relations" Volume Released on 1944 Quebec Conference

Press release 227 dated September 15 (for release September 23)

The Department of State released on September 23 *Foreign Relations of the United States: The Conference at Quebec, 1944* (lii, 527 pp.), the last of the seven special volumes in the "Foreign Relations" series devoted to the wartime summit conferences attended by President Roosevelt or President Truman for the United States and by either Prime Minister Churchill or Marshal Stalin or both. The titles in the special conference subseries are as follows:

The Conferences at Washington, 1941-1942, and Casablanca, 1943

The Conferences at Washington and Quebec, 1943

The Conferences at Cairo and Tehran, 1943

The Conference at Quebec, 1944

The Conferences at Malta and Yalta, 1945

The Conference of Berlin (The Potsdam Conference), 1945 (2 volumes)

More than a quarter of the volume on the Second Quebec Conference deals with the "Morgenthau Plan" for the postwar treatment of Germany and related papers. Other subjects covered include the final planning for the war in Europe and the Far East, lend-lease to the United Kingdom, Italy, relations with the Soviet Union, aid to the Warsaw resistance, and the Roosevelt-Churchill conversations which took place at Hyde Park after the Quebec Conference had closed.

The volume was prepared by the Historical Office, Bureau of Public Affairs. Copies may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for \$4.75 each (Department of State publication 8627).

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Address requests direct to the Superintendent of Documents. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders.

Background Notes. Short, factual summaries which describe the people, history, government, economy, and foreign relations of each country. Each contains a map, a list of principal government officials and U.S. diplomatic and consular officers, and a reading list. (A complete set of all Background Notes currently in stock (at least 125)—\$6; 1-year subscription service for approximately 75 updated or new Notes—\$3.50; plastic binder—\$1.50.) Single copies of those listed below are available at 10¢ each.

Algeria	Pub. 7821	4 pp.
Belgium	Pub. 8087	4 pp.
Chad	Pub. 7669	4 pp.
Dahomey	Pub. 8308	4 pp.
Lesotho	Pub. 8091	4 pp.
Malta	Pub. 8220	4 pp.
Monaco	Pub. 8670	4 pp.

The Battle Act Report 1971. Twenty-fourth report by the Secretary of State to Congress on operations under Mutual Defense Assistance Control Act of 1951 (Battle Act). General Foreign Policy Series 261. Pub. 8641. 85 pp. 45¢.

World Strength of the Communist Party Organizations. This report is the 24th in the State Department's annual series of estimates of the strength of the Communist movement throughout the world, excluding the United States. It presents data available through December 1971. Pub. 8658. 159 pp. \$1.25.

Extension of Loan of Vessel U.S.S. *Benham*. Agreement with Peru. TIAS 7296. 3 pp. 10¢.

Finance—Debt Rescheduling Under Certain Agricultural Commodity and AID Loan Agreements. Memorandums of agreement with Yugoslavia. TIAS 7298. 18 pp. 25¢.

Treaty To Resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary. Treaty with Mexico. TIAS 7313. 75 pp. \$1.50.

Whaling—International Observer Scheme. Agreement with Japan. TIAS 7315. 12 pp. 10¢.

Economic Assistance. Agreement with the Khmer Republic. TIAS 7321. 7 pp. 10¢.

Reciprocal Fishing Privileges. Agreement with Canada extending the agreement of April 24, 1972. TIAS 7323. 3 pp. 10¢.

Agricultural Commodities. Agreement with the Philippines. TIAS 7324. 5 pp. 10¢.

Pension Insurance for Certain United States Army Employees in Germany. Agreement with the Federal Republic of Germany. TIAS 7326. 8 pp. 10¢.

Surplus Property—Off-Shore Sales Facility. Agreement with Singapore. TIAS 7327. 4 pp. 10¢.

Fisheries—Northwestern Part of the Pacific Ocean off the United States Coast. Agreement with the Union of Soviet Socialist Republics amending the agreement of February 12, 1971. TIAS 7328. 3 pp. 10¢.

Air Transport Services. Agreement with Japan. TIAS 7333. 10 pp. 10¢.

Seabed Arms Control. TIAS 7337. 72 pp. 30¢.

Agricultural Commodities. Agreement with the Dominican Republic. TIAS 7340. 3 pp. 10¢.

Cooperation in Medical Science and Public Health. Agreement with the Union of Soviet Socialist Republics. TIAS 7344. 9 pp. 10¢.

Cooperation in Environmental Protection. Agreement with the Union of Soviet Socialist Republics. TIAS 7345. 11 pp. 10¢.

Scientific and Technical Cooperation. Agreement with the Union of Soviet Socialist Republics. TIAS 7346. 11 pp. 10¢.

Space Cooperation. Agreement with the Union of Soviet Socialist Republics. TIAS 7347. 10 pp. 10¢.

Air Transport Services. Protocol with the Czechoslovak Socialist Republic modifying and extending the agreement of February 28, 1969, as extended. TIAS 7356. 3 pp. 10¢.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on September 20 confirmed the nomination of Christopher Van Hollen to be Ambassador to the Republic of Sri Lanka and to serve concurrently as Ambassador to the Republic of Maldives. (For biographic data, see White House press release dated September 12.)

The Senate on September 21 confirmed the nomination of C. Robert Moore, now serving as Ambassador to the United Republic of Cameroon, to serve concurrently as Ambassador to the Republic of Equatorial Guinea. (For biographic data, see White House press release dated September 18.)

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Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Releases issued prior to October 2 which appear in this issue of the BULLETIN are Nos. 227 of September 15, 244 of September 27, and 249 of September 29.

No.	Date	Subject
250	10/2	Rogers: Cabinet Committee to Combat Terrorism.
251	10/5	Porter: 162d plenary session on Viet-Nam at Paris.
*252	10/5	USIA Foreign Service employees to vote on exclusive representative.
*253	10/6	Assistant Secretary Meyer to sign Andean Pact loan.

* Not printed.

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1740

THE
DEPARTMENT
OF
STATE

BULLETIN

Vol. LXVII, No. 1740



October 30, 1972

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WITH THE PEOPLE'S REPUBLIC OF CHINA

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXVII, No. 1740

October 30, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department of State, United Nations documents, and legislative material in the field of international relations are also listed.

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Trade in the Context of United States Relations With the People's Republic of China

Address by Marshall Green

*Assistant Secretary for East Asian and Pacific Affairs*¹

For more years than I care to count, I have looked to the day when China trade would be not just a subject of academic interest but a practical concern of practical men. This symposium, with its emphasis on the practical aspects of U.S.-China trade, is one more sign that that day has arrived. It is therefore with great personal satisfaction that I join your discussions.

In the panel meetings you will be attending today you will hear and talk with experts in this field, all of them men of wide experience and deserved international reputations. I could not add to the knowledge they will present to you.

What I would like to do instead is to place trade in the framework of our overall relationship with the People's Republic of China and to suggest why trade figures so importantly in the momentous changes we are witnessing.

To find a reference point in tackling a subject like this, I could go back a decade or more to a time when a number of us in the American Foreign Service, together with some of our colleagues in business and academe, were recommending that tight U.S. restrictions on trade and travel to mainland China be modified and that we enter into a

real dialogue with Peking. Or I could discuss the number of steps that were taken between 1962 and 1971 in modifying those restrictions, especially the rapid succession of measures undertaken by this administration from 1969 to 1971, to enable Americans to visit mainland China and to engage in trade. These were unilateral administrative measures that required no U.S. legislative action or reciprocity from the Chinese side, and until recently they did not seem to produce much in the way of results. What changed the whole scene, of course, was the President's trip to China.

But rather than go over these events that are so well known to you, I would prefer to start with the joint communique issued at Shanghai on February 27 of this year.²

Those of you who have studied or had some experience in foreign affairs are well aware that communiques are often the least interesting or important result of diplomatic meetings. If that is the rule, then the joint communique is the exception. It is a remarkable document for several reasons. First of all, it is comprehensive, reflecting as it does all the understandings reached and all the discussions held. It is realistic, making no effort, either through omission or obscure language, to gloss over or minimize the differences that remain between us. On the

¹ Made before a China trade symposium sponsored by the University of Southern California Graduate School of Business Administration at Los Angeles, Calif., on Oct. 9 (press release 254).

² For text, see BULLETIN of Mar. 20, 1972, p. 435.

contrary, it hits them head on. Indeed, the first area of common ground we found with the Chinese was that this is the style in which we both like to do business. The Chinese, no less than we, do not like to pretend that there are no differences when differences clearly exist.

Having stated our differences, however, we were able to outline possible areas of common interest and to specify ways in which we might proceed to work together toward the normalization of relations. Clearly implied in this document was the real breakthrough: that we could move forward without first resolving all those differences. Also clearly implied was the realization on both sides that whatever the broad ideological concerns that divide us, there should be few fundamental differences in practical national-interest terms that time and mutual trust on both sides could not resolve. And most important of all, we agreed that improving relations was in the interest of both sides.

You will also note that the communique sets forth the specifics of how we will work to strengthen our relationships. We agreed to maintain contact through various channels, including the sending of a senior U.S. official to Peking from time to time. Later we announced that another channel or contact point had been established in Paris, where discussions are continuing in the same constructive atmosphere that marked the summit meetings in Peking. We also agreed that increasing contact between our peoples was at least as important as official contact in developing and deepening this new relationship.

Neither of us meant by this that if we just get to know each other better, all our problems will disappear. There was a more practical consideration. For differing reasons, both the PRC and the United States evidently want to provide tangible evidence of a warming trend in our relations. Since, as the communique made clear, obstacles to improved relations remain, areas of common interest for the time being must be sought

in less politically charged fields; hence, trade and exchanges.

On the specific subject of trade, the joint communique said:

Both sides view bilateral trade as another area from which mutual benefit can be derived, and agreed that economic relations based on equality and mutual benefit are in the interest of the peoples of the two countries. They agree to facilitate the progressive development of trade between their two countries.

Note especially in that paragraph the repeated appearance of the phrase "mutual benefit" and its description of trade between our two countries as developing progressively. In other contexts the Chinese have talked about our relations, including trade, developing step by step. Implicit in this document is the thought that trade between our two countries has more than just economic significance. Or even if the volume of trade remained statistically microscopic—which is not likely—there are advantages to be derived from focusing attention on it.

Abstract and Tangible Goals

If the public eye is drawn to a succession of businessmen, trade groups, and technicians going back and forth between the United States and the PRC—sometimes concluding sales, sometimes not—the political point need not be stated. This very motion will testify to the existence of an improved relationship and will help create a climate in which cooperation in other areas may become possible.

There are other political advantages accruing to both sides which one should not lightly dismiss. Trade negotiations by private American firms may prove to be an especially significant arena for building mutual trust and confidence. Since major political issues are not likely to enter into these discussions, it should be possible to set a positive tone for future discussion of more troublesome matters. By the same token, the acquisition of negotiating skills and tech-

niques can add to one nation's store of information about the other and thereby ease the way for later negotiations on improvement of political relations.

Moving from these relatively abstract goals to more tangible ones, Peking has beyond a doubt calculated the effect of improved trade relations with the United States on its chances for achieving its major policy goals. By trading with the PRC, the United States overtly demonstrates its acceptance of the Peking Government even if it does not involve formal recognition. In the speech of a top PRC leader, Marshal Yeh Chien-ying, delivered on the occasion of October 1 National Day celebrations a week ago, this theme comes across loud and clear. Even granting some of Peking's outdated perceptions of the nature of the present-day capitalist mind, it is not unreasonable for Chinese leaders to believe that U.S. businessmen who benefit from U.S.-PRC trade might influence American political opinion in ways that may be mutually beneficial.

By facilitating trade with the United States, Peking also moves toward its goal of diversifying its markets and sources of supply. Peking undoubtedly calculates that if it can develop new sources of supply for its import requirements, it will never again be so dependent on any single trading partner as to become vulnerable to efforts to exert political pressure on China through trade. Those of you who have read Chinese history, as well as the newspaper accounts of China's more recent national experience, will appreciate that the need to be economically independent holds a high priority in China.

To say that political considerations are important is not to suggest, however, that expanding PRC trade relations with the United States will not be of mutual economic benefit as well. While the U.S. economy as a whole may not be affected significantly by any foreseeable U.S.-PRC trade which may develop, specific U.S. industries will benefit. We have already seen this in the recent deals for Boe-

ing aircraft, RCA communications equipment, and wheat, and we may see it again in other industries which can derive important benefit—machine tools, for example, or other sales of aircraft and parts.

Constraints on Rapid Expansion of Trade

Having mentioned these advantages related to expansion of Sino-U.S. trade, I want to inject a note of caution. There are definite constraints placed on rapid expansion of U.S.-PRC trade by both political and economic considerations. China's reputation as the most revolutionary of the revolutionaries is somewhat offset by its equal renown as one of the most conservative states in international financial dealings. Unlike many of the developing countries which have consciously borrowed heavily in order to finance economic development, the PRC has financed its imports either by immediate payment or on ordinary 18-month commercial terms. Even during the most revolutionary phases of its recent history, the PRC preserved its reputation for scrupulous financial dealings. Credits were and are paid off on schedule or even in advance. What this means, of course, is not that the PRC has unlimited cash reserves but that it has preferred to limit its imports to the extent of its ability to generate funds through export earnings.

This does not suggest that Peking insists on balanced trade with each and every partner; because of its large net export earnings from Hong Kong, it has a certain leeway to accept an unfavorable balance of trade on a bilateral basis with such nations as Japan. Moreover, there have recently been some indications that in special cases the PRC may be willing to incur a short-term debt in order to acquire a high-priority item. In general, though, China maintains the principle that it will stand on its own feet. We do not anticipate, therefore, that the PRC will choose to incur long-term debt or allow a significant or prolonged deficit in its balance of trade with another nation.

As long as Peking remains wedded to its policy of "self-sufficiency," it is difficult to envision a dramatic increase in the level of foreign trade. The "self-sufficiency" doctrine has a number of implications for the growth of foreign trade, none of them positive. This philosophy by definition places foreign trade almost in the category of a necessary evil; foreign trade can only be an adjunct of domestic economic development whereby China acquires abroad whatever technology and essential goods it cannot produce at home. Because Peking perceives trade in this light, there has been a disinclination to foster the development of export-oriented industries, even if these would afford the PRC competitive advantages in the world market. In fact, the PRC has at times in the past turned aside requests to modify its products to make them more marketable in the West. Finally, because the PRC remains basically a subsistence agricultural economy and because all imports are handled through state trading corporations, it is highly unlikely that consumer goods will appear for some time to come among the priority items in the annual state plan.

American businessmen must also consider that the PRC has developed well-established trading relationships over the years with low-cost suppliers of its major import needs. Most of the PRC's grain comes from Canada or Australia, while capital goods, metals, and fertilizers have been imported from Japanese and western European suppliers. While it will not be impossible for American firms to break into this market—in fact, given the PRC's desire to diversify its sources of supply, it is likely that some penetration will be accomplished—it would be unrealistic to anticipate major sales at the expense of the Japanese and western Europeans except in certain high-technology areas, particularly so long as the political impediments remain.

Chinese Pragmatism and Flexibility

As long as I am smashing misconceptions about the China market, I might as well throw some cold water on another popular

myth. I want to emphasize that the PRC has established quite a record for pragmatism and flexibility in its business dealings, legends about the strong ideological orientation of the Chinese notwithstanding. Many of you have probably read reports of Chinese favoritism toward "ideologically correct" firms and refusal to deal with those firms considered to be "reactionary." This has occurred in isolated instances; the Chinese, as they themselves point out, do not separate politics and economics. But within that principle there is room for a considerable degree of flexibility and pragmatism. In most cases, then, I think you will find that PRC negotiators are more interested in the quality of your product and the size of your market than in your political opinions. What I am suggesting is that there is no advantage for an American businessman to suggest that he supports policies popular in Peking or that he has been a consistent opponent of some of his own government's policies. Indeed, such a bearing may only serve to place you at a negotiating disadvantage with the Chinese, who do not respect cheap devices for currying favor.

Little research is necessary to unearth confirmation that the Chinese are indeed pragmatic when it comes to business. Up to 1970, only three of the PRC's 10 largest trading partners had extended diplomatic recognition to Peking. The PRC recently concluded a major wheat deal with the Australians, in spite of the fact that the PRC leadership continues to differ with the foreign policy of the Australian Government. When Prime Minister Tanaka arrived in Peking at the end of last month to negotiate the normalization of relations between his country and the PRC, it was evidently made clear to him and other members of his party that continued trade ties with Taiwan would not constitute a barrier in PRC eyes to a Japan-PRC rapprochement. Price and quality, not politics, generally determine the decision for the PRC negotiators. None of this means, however, that you need not concern yourselves with Chinese sensitivities or that you could engage in political argument without affecting your business prospects. The Chi-

nese are perceptive people who appreciate normal courtesy; they are also quick to detect insincerity.

Dialogue Between Nations

It seems to me that the great changes that have taken place in our relations with the PRC could not have been achieved without certain changes in the attitudes prevailing in both Peking and Washington. For example, it is hardly conceivable that this evolution in our relationship could have occurred at the time of the Great Leap Forward or its aftermath or during the period of the subsequent Cultural Revolution in China. In other words, it would have been very difficult indeed for these changes to have come about before 1969. Similarly, I am convinced that this breakthrough would not have been possible without the leadership and the commitment that President Nixon has given to the task of ending the period of U.S.-PRC confrontation.

After 23 years of mutual antagonism and drearily sustained deadlock, the task of persuading the PRC to join with us in greatly improving our relations seemed herculean. Something more than small steps was called for. A dramatic gesture was needed to dispel any suspicions in Peking that our intentions might be directed at short-term domestic political gains or at giving merely the appearance of progress. Despite the risks so often associated with personal diplomacy, the President recognized that the summitry approach would best convey to the Chinese his determination to stake the prestige and authority of his Presidency on the new policy. Moreover, personal contact at the highest level was necessary to overcome the misunderstandings and myths which had grown up during decades of nondialogue. A new relationship had to be inaugurated on the basis of candor, not evasiveness; on friendly discussion, not glacial silence or steaming rhetoric; and above all, on growing mutual perceptions that perhaps there was more common ground in our national interests than was apparent from our wide ideological dif-

ferences. To seize the moment, which could in fact be a fleeting moment, required personal rapport between leaders. The result was the Peking summit meetings.

Developing relations between the United States and the PRC during the past seven months attest to the success of the Peking summit. Most significantly, the leaders of China seem to have a clearer understanding of U.S. policy and objectives in East Asia. Implementation of the Nixon doctrine, for example, supplied persuasive evidence that the United States did not in fact have designs on China and that it was not seeking to isolate or contain China. On the contrary, it was manifestly our view that the PRC should be involved in the international mainstream and that the great problems of our planet could not be resolved without the participation of China in finding solutions and implementing them.

It is not only in terms of U.S.-PRC relations that the summit was a success, however. As I suggested earlier, the approach to Peking was only a part of a coherent new world view. Perhaps even more significant than the opening of a PRC-U.S. dialogue was the impression made on other nations by this successful summitry. The U.S.-PRC precedent seemed to make all things possible. Longtime antagonists could approach each other on the basis of shared interests rather than abiding differences. We have recently seen a series of summit-type meetings between nations, some of which had just barely been on speaking terms, if indeed they had communicated at all. On July 4 of this year, South and North Korea jointly announced that they would meet to discuss ways and means of attaining the mutually desired objective of national reunification. As a direct consequence of the Peking summit, there thus seems to have emerged a new pattern of international relations, a new mode of international behavior.

Encouraging as it may be that nations are now competing in image building and that countries which used to appear intransigent now worry less about appearing tough and more about appearing at least as flexible and

conciliatory as their rivals, the millennium is not yet upon us. Serious problems and dangers remain. Yet for the first time in this generation there is at least the hope that there can eventuate a pattern of international relationships which can serve the legitimate interests of all nations and a climate in which each nation will see that it is in its interest to pursue its goals by means which do not undermine this new trend.

We proceed on the assumption that no nation is abandoning its goals or what it perceives as its major interests. But there now seems to be a trend among at least the greater powers to pursue their goals through means less likely to involve themselves in war. In other words, sharp competition will continue to mark relations between nations, and ideologies may not change; but it is to be hoped that in a world of expanded dialogue, trade, and exchanges between nations—even between nations of opposing ideologies—there can be the real beginnings of a lasting peace. The President's trip to Peking made a major contribution to that goal.

President Nixon's News Conference of October 5

Following is an excerpt from the transcript of a news conference held by President Nixon in the Oval Office at the White House on October 5.

Weekly Compilation of Presidential Documents dated October 9

Q. Mr. President, do you see any possibility of a negotiated settlement in Viet-Nam before the election?

The President: The settlement will come just as soon as we can possibly get a settlement which is right, right for the South Vietnamese, the North Vietnamese, and for us, one that will have in mind our goals of

preventing the imposition by force of a Communist government on South Viet-Nam and, of course, a goal that is particularly close to our hearts in a humanitarian sense, the return of our prisoners of war.

I should emphasize, however, that under no circumstances will the timing of a settlement, for example, the possible negotiation of a cease-fire, the possible negotiation of or unilateral action with regard to a bombing halt, under no circumstances will such action be affected by the fact that there is going to be an election November 7.

If we can make the right kind of a settlement before the election, we will make it. If we cannot, we are not going to make the wrong kind of a settlement before the election. We were around that track in 1968, when well-intentioned men made a very, very great mistake in stopping the bombing without adequate agreements from the other side.

I do not criticize them for that as far as their motives are concerned. I simply say, having seen what happened then, we are not going to make that mistake now.

The election, I repeat, will not in any way influence what we do at the negotiating table.

Second, because I know this subject has been discussed by a number of you, as it should be, in your commentary and in your reports, the negotiations at this time, as you know, have been, in the private channel, very extensive. We have agreed that neither side will discuss the content of those negotiations. I will not discuss them one way or another.

I will only say that the negotiations are in a sensitive stage. I cannot predict and will not predict that they will or will not succeed. I cannot and will not predict when they will succeed.

But I will say that any comment on my part with regard to how the negotiations are going could only have a detrimental effect on the goal that we are seeking, and that is as early as possible a negotiated settlement of this long and difficult war.

Q. Mr. President, it has been said that

Hanoi may be waiting until after the election to make a final settlement on the theory that if they got a Democrat elected they would get better terms for them. How do you answer that?

The President: They could be motivated by that. There are those who believe that they were motivated to an extent in 1968 by political considerations in agreeing to a bombing halt before the election with the thought that defeating me was more in their interest than electing my opponent.

I do not claim that that was the case. I must say that both Senator Humphrey and I, I think, were quite responsible in that election campaign in refusing to comment on what were then only preliminary negotiations, recognizing that any comment by one who might be President might jeopardize the success of negotiations.

Now, as far as Hanoi's putting their eggs in that basket, that only indicates that the American political scene is one that no one can predict. Despite what the polls say and despite some indications on our side that we believe we have a good chance to win, there are many in this country and many abroad who think that there is a chance the other side might win.

Under those circumstances, they obviously could conclude, with some justification, that my insistence that we will never agree to a settlement which would impose a Communist government directly or indirectly on the people of South Viet-Nam, as compared with the statements of our opponents to the contrary on this particular point, might be influencing them.

On the other hand, we are talking. If we have the opportunity, we will continue to talk before this election and we will try to convince them that waiting until after the election is not good strategy.

Q. Mr. President, there are those of your critics who say that the bombing is really serving no useful purpose and it is needless. What purpose is the bombing now serving in

view of the fact that the negotiations have not resulted in a settlement and in view of the fact that there still seems to be a good deal of military activity in the South?

The President: Well, I think, Mr. Lisagor [Peter Lisagor, Chicago Daily News], you could really go further. There are those who say that the bombing and the mining have served no useful purpose and are serving no useful purpose. Those same critics, however, as I pointed out in San Clemente and have since had an opportunity to review, on May 1, that weekend, all had reached the conclusion that South Viet-Nam was down the tube. Time, Newsweek, the New York Times, the Washington Post, the three television network commentators—I am not referring, of course, to you ladies and gentlemen, who are reporters—all in varying degrees wrote and spoke of the specter of defeat and the hopelessness of the South Vietnamese cause.

On May 8, I acted to prevent that Communist takeover which all of these same critics then predicted. After I took that action of mining and bombing, the same critics predicted that the summit was torpedoed. Some even went so far as to say we were risking world war III.

Those predictions proved to be wrong. Now these same critics say that the bombing and mining was not necessary, it has accomplished no purpose and is not necessary for the future. Well, I would say, based on their track record, I would not give much credence to what the critics have said in this respect.

I will only say the bombing and mining was essential to turn around what was a potentially disastrous situation in South Viet-Nam. The back of the enemy offensive has been broken. They hold no Provincial capitals now at all.

This could not have been accomplished without the mining and the bombing, and the mining and the bombing will continue, of course, until we get some agreements on the negotiating front.

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163d Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Ambassador William J. Porter, head of the U.S. delegation, at the 163d plenary session of the meetings on Viet-Nam at Paris on October 12.

Press release 256 dated October 12

OPENING REMARKS

Ladies and gentlemen: In recent years significant changes have taken place in the confrontation of opposing forces in the Viet-Nam conflict. Through the policy of Vietnamization the United States has withdrawn over a half million men from Viet-Nam, while the armed forces of the Republic of Viet-Nam have grown in number and in defensive capability.

On your side, however, the opposite configuration has occurred through what might be termed "North Vietnamization": The proportion of southern, Viet Cong forces has sharply declined relative to the officers and units of the regular North Vietnamese army active within South Viet-Nam. At present more than 12 divisions of the North Vietnamese army have entered the South. Other North Vietnamese army elements operate within many nominally Viet Cong units in order to provide encadrement and exercise control of these units.

It is clear that the problem of forces originating outside South Viet-Nam but active within that country far more preponderantly pertains to your side than to ours. Nevertheless, we have specified that the complete withdrawal from South Viet-Nam of U.S. forces—which will number no more than 27,000 by December 1 because of the success of Vietnamization—would occur no later than four months after establishment of an internationally supervised cease-fire throughout Indochina and the return of American prisoners of war.

We have carefully studied your September

11 declaration in order to obtain some indication of your intentions concerning the non-South Vietnamese forces participating on your side in this conflict. While that declaration refers three times to the wartime collaboration between the Viet Cong and North Viet-Nam and no less than four times to the pursuit of military victory, it is strangely silent about the North Vietnamese army in South Viet-Nam. Although your side often proclaims the "logic" and "good will" of your proposals, this latest statement, like others before it, evades coming to grips with the question of forces external to South Viet-Nam, forces which now are six times greater than the U.S. forces you demand be withdrawn.

It would not be difficult for you to demonstrate your good will, however, and remedy this oversight. I call upon you now to provide us with certain clarifications of the statement. Please respond to the following questions as specifically as you can:

1. What, under the September 11 proposals, is the date specified for the complete withdrawal of North Vietnamese army forces from South Viet-Nam?

2. What, during the various stages of these proposals, are the roles and activities which you envisage for the North Vietnamese army forces prior to their withdrawal?

3. What assurances do you provide against infiltration of additional units of the North Vietnamese army or against reinforcement and replenishment of units presently within South Viet-Nam during various stages of these proposals?

4. What forms of verification or supervision of the foregoing measures by impartial authorities or otherwise do you propose?

In considering your reply, you can spare us as well as yourselves needless effort by avoiding two kinds of ritualistic responses with which we are all too familiar.

First, please do not recommend that we reread the September 11 statement, the so-called "two-point clarification," or the "seven points." It is precisely because these several

proposals have nothing relevant or specific to say about your side's share in the necessary military measures that we make these present inquiries.

Second, please do not contend, as you did last week, that there can be no question of "shared responsibilities." This doctrine of selective responsibility does not and will not exonerate you from the obligations you must bear in the search for peaceful settlement.

The dimensions and intensity of the present warfare are directly related to the invasion of the South by regular forces of North Viet-Nam. Instead of saying nothing about the return to North Viet-Nam of your forces—however you may prefer to describe them—you should make it known whether these forces will cease to disrupt the peace in Southeast Asia and, if so, what measures you will undertake so that these forces would not jeopardize the restoration of peace.

ADDITIONAL REMARKS

Ladies and gentlemen: The chiefs of state and heads of government of the member nations of the European Economic Community will meet in these premises from October 19 until October 21. That important meeting will place extensive administrative and security requirements on our host government. The French Government has kindly offered alternate facilities for our use during that period and has offered to provide its customary fine administrative support to us. We feel, nevertheless, that this would place a heavy additional strain on our hosts, which it would be desirable to avoid.

Out of this consideration for the host government, therefore, our side believes that it would be preferable to await the conclusion of the European summit before meeting in our usual premises again; and we hope that you can agree to this slight delay. Accordingly, our side proposes that the 164th plenary session of the Paris meetings on Viet-Nam take place on October 26 at the usual hour and in the usual location.

Senate Confirms U.S. Delegation to UNESCO General Conference

The Senate on October 11 confirmed the nominations of the following-named persons to be Representatives and Alternate Representatives of the United States to the 17th session of the General Conference of the United Nations Educational, Scientific and Cultural Organization:

Representatives

William B. Jones
R. Miller Upton
Louise Gore
Jaquelin H. Hume
Benjamin F. Marsh

Alternate Representatives

E. Dorothy Dann Bullock
Henry David
Pierre R. Graham
James C. Haahr
Chauncy D. Harris

When the nominations were announced on October 5 (White House press release), President Nixon indicated that Mr. Jones would be designated chairman of the U.S. delegation and Mr. Upton vice chairman.

Commodity Problems: A Key to Relations With Africa

Address by David D. Newsom

*Assistant Secretary for African Affairs*¹

Diplomacy is the art of reconciling differences. In its relations with the developing countries, the United States faces the increasing problem of finding a middle ground between our interests as a consumer and their needs as producers.

San Francisco, one of the foremost centers of world trade, seemed to me to be a natural forum to discuss this issue.

I can speak primarily of the situation as it applies to Africa, but the problem has a much wider application.

Politics may capture the headlines, but African leaders are becoming more and more preoccupied with economics. In the words of Tanzanian Vice President Jumbe, speaking at the recent Foreign Ministers meeting of east and central African states, "Political independence is meaningless without economic power."

Each of you is involved. Every time you drink a cup of coffee or cocoa or eat a chocolate bar or vanilla ice cream, you are an element in the picture.

To Africans, our actions on issues involving their economic well-being mean as much as the more publicized political questions. It is impossible to divorce politics from economics. Ivory Coast President Houphouet-Boigny, long a friend of the West, has attacked with increasing bitterness what he

labels the "insensitivity" of the industrial nations to the problems of the developing world. Ivory Coast's concern over deteriorating terms of trade can become more important than any political issue in her relations with the United States.

While economic assistance remains an important factor, the developing countries are more concerned about securing guaranteed markets for their products and at satisfactory prices. They are heavily dependent on the industrialized states not only for the equipment to build a modern economic structure but often even for food to avert famine. To pay for these imports, the developing countries must rely on their exports. About 80 percent of their foreign exchange stems from exports. So you can see that although foreign aid is a very necessary stimulus to their capability for acquiring much-needed goods and services it has to be paid for and growth prospects of developing countries depend more on the extent to which they can increase their foreign exchange earnings through exports.

The picture is gloomy. In spite of an exceptional cooperative effort to promote economic and social progress, the gap between the developing countries and the developed nations continues to widen, thus giving support to the contention that "While the rich get richer, the poor get poorer." Although export earnings of developing countries expanded 78 percent from 1960 to 1969, their external debt grew more than 150 percent in

¹ Made before the World Affairs Council of Northern California at San Francisco on Sept. 28 (press release 245).

the same period, with carrying costs and repayment consuming much of current foreign aid receipts. Today, external debt servicing represents almost 20 percent of export earnings of developing countries. The developing countries' share of world exports dropped from 30 percent in 1950 to 20 percent in 1960 to 18 percent in 1969.

The situation is further aggravated by the dependence of the developing countries on exports of primary commodities as opposed to manufactured or semimanufactured goods. Approximately 85 percent of their export earnings comes from primary agricultural commodities, crude minerals and metals, and petroleum. Certain developing countries, furthermore, are forced to rely almost exclusively on exports of a single product.

Petroleum is a special case. For the present at least, those countries fortunate enough to have it, e.g., Libya, Algeria, and Nigeria, need little else. These countries, working in concert with other oil-producing nations, have been successful in obtaining concessions from Western consumers. But oil cannot be depended upon forever, and even these countries are looking ahead to diversify their economies.

Primary commodities such as coffee, cocoa, copper, or cotton account for up to 80 percent of total export receipts of many countries. In Africa, copper accounts for 96 percent of Zambia's exports. Coffee provides 85 percent of Burundi's foreign exchange, and 65 percent of Ethiopia's. Equatorial Guinea depends on cocoa for two-thirds of its exchange earnings; Ghana, the world's largest cocoa producer, obtains 55 to 60 percent of its foreign exchange from the same crop.

Problems of Trade in Primary Products

For the foreseeable future, trade in primary products will continue to be the developing countries' main source of export earnings. Unfortunately, this trade is susceptible to a variety of ills.

Heavy dependence on one or a few com-

modities, particularly agricultural products which are produced in many parts of the world, makes a country especially vulnerable to world market developments over which it has little control. Market prices for such exports may fluctuate widely over short periods of time. These fluctuations in price can cause variations in the foreign exchange receipts of a poor country amounting to a large portion of its total earnings.

A one-cent-a-pound change in the annual average price of coffee, for example, means \$65 million a year to the exporting countries as a whole; the same change in the price of tea means \$15 million; and in cocoa, \$25 million.

Fluctuations in price and volume stem from many causes. On the supply side, disease and variations in weather may cause severe fluctuations in output. And in the case of tree crops like coffee and cocoa, production can neither be turned off when it is excessive nor rapidly increased when it falls short. On the demand side, small changes in final demand can induce large changes in inventories. And this instability feeds on itself. Inordinately high prices in periods of shortage lead to overproduction, overproduction to glut and excessively low prices, and so on—with the depressed part of the cycle being of far longer duration.

Even more serious than the instability of trade receipts is the longer range problem that demand for many primary products is not keeping pace with the increase in world trade generally. This sluggishness has several causes. Markets for natural rubber and some tropical fibers have been eroded by the development of synthetics. Technological improvements have led to economies in the use of raw materials such as tin. Many of the developing countries' commodities compete with items produced and exported by the developed countries. Markets, especially for such products as coffee and sugar, are limited by an array of tariff and quota barriers put up by the rich countries.

UNCTAD Focus on Problems of Development

Various approaches have been tried to help break the vicious cycle of self-perpetuating poverty in which developing countries find themselves trapped. Dissatisfied with the slow progress toward concrete results, in the early 1960's the developing countries brought pressure to bear that led to the convening of the first United Nations Conference on Trade and Development in Geneva in 1964. UNCTAD, to which all members of the U.N. and its specialized agencies belong (142 countries), had no less a goal than the reshaping of world trade in the interests of the developing countries. Following a second conference in New Delhi in 1968, the third UNCTAD took place last April in Santiago, Chile. The record is mixed.

On the negative side, UNCTAD has raised hopes that have not been realized. Having 103 of the 142 votes, the developing countries can force through recommendations, but they cannot oblige the advanced countries to implement them. It has also been difficult for UNCTAD to avoid stepping on the toes of existing organizations like FAO, GATT [Food and Agriculture Organization; General Agreement on Tariffs and Trade], and specialized commodity organizations already operating in the area of international trade and development. UNCTAD has further been hampered by the tendency of its membership to polarize behind fixed positions with little objective regard for the merits of an issue.

Attempts by the developing countries to use UNCTAD as a negotiating body to gain trade concessions and support for ambitious development programs have met with resistance from the advanced countries.

Finally, UNCTAD has enjoyed little success in persuading the developing countries to take an objective look at their own trade and financial policies, which are crucial to the success of any development program.

Despite these drawbacks, the organization has served a useful purpose in focusing world attention on the growth needs of the develop-

ing countries and in bringing pressure to bear on the world community to act. It has provided a forum for airing trade and development problems of the poor countries and for presenting new ways to resolve them. It has identified a wide range of policy possibilities to be pursued or studied. It took the lead in focusing world attention on the needs of the least developed among the less developed countries. It played a key role in developing and winning eventual acceptance of the idea of a system of temporary generalized non-discriminatory tariff preferences. Such preferences would mean that canned fruits and meats exported by west African countries, for example, would have a duty advantage over the same products exported by a developed country. The organization has also undertaken some useful studies on problems of market access, diversification, and competition from synthetics. In the financial area UNCTAD maintains pressure, along with the Development Assistance Committee of the Organization for Economic Cooperation and Development, for the liberalization of the terms and conditions of aid.

Commodity Agreements

In their search for practical measures to improve their trade position, the developing countries have pressed for commodity agreements on products which are key to their economies. They argue that such agreements can not only reduce short-term price fluctuations but also help arrest the longer term decline in raw material prices and progressively increase the real income derived from export of these products. This is true, providing agreements are effectively implemented and the participating countries cooperate in establishing long-term equilibrium between supply and demand at prices which are fair to both producers and consumers.

Commodity agreements, however, have serious limitations. For one thing, many primary products are not well suited to the conventional commodity agreement approach

for technical or economic reasons. This applies to commodities such as rubber, jute, hard fibers, and cotton, which are subject to serious competition from synthetics or other substitutes.

There are today only four such international agreements: coffee, sugar, wheat, and tin. The United States is a member of the wheat and coffee agreements. The inability to reach agreement in the recent negotiations over quota arrangements for the International Coffee Agreement (ICA) for the year that begins on October 1 dramatizes the difficulties inherent in negotiating or implementing broad-scale commodity agreements.

The developing countries have frequently charged the importing nations with a "lack of political will," but the problem is much more complex. National interests, of course, come into play, not only between importing and exporting countries but among exporting and importing countries themselves. Commodity agreements require some division of the market among competing suppliers and the holding back of surplus production when the market is glutted. Understandably there are differences among producing countries on how to allocate the market. A country which has held a given share of the market over a period of time may be unwilling to cede market shares to newcomers who may be expanding production. Conversely, newer producers will rarely concede that existing or past patterns of world trade should be frozen. The opposing views of India and Sri Lanka on the one hand, and Kenya and Tanzania on the other, over tea are a case in point.

There is also the problem of determining appropriate price levels. When prices are low or falling sharply, producers may be willing to take the best bargain they can get; but when the prices are good, the incentive for producers to work for agreement or accept restraints fades.

In some cases commodity agreements can be designed to meet certain specific and limited objectives over limited periods of

time. The International Coffee Agreement is a good example. Coffee is the single most important agricultural commodity in the trade of developing countries and critical to certain Latin American and African countries. At the time the first ICA was negotiated, joint action was necessary to keep marketed supply in line with demand to prevent a disastrous collapse of prices with serious repercussion in the coffee-exporting countries.

The coffee agreement was designed to provide a framework for joint efforts to restore a balance between supply and demand. It provided for ultimate controls over exports, and as a major innovation, the second ICA set up a Coffee Diversification Fund to help countries move resources away from coffee production into other fields and to reduce their unhealthy dependence on a single crop.

Attempts, going back to 1963, to establish a cocoa agreement thus far have not succeeded. Negotiations on an international cocoa agreement, which began in March under the auspices of UNCTAD, resumed this month in Geneva.

Other commodities, like bananas, peanuts, and rubber, are not readily adapted to the commodity agreement approach and have remained uncontrolled.

The United States has always been lukewarm in its enthusiasm for commodity agreements and at times even formally opposed their use. More recently we have come to accept the need to find solutions to the serious commodity problems of the developing countries and have agreed to consider any reasonable proposals including commodity agreements to improve markets for particular products. With the approval of Congress, the United States played a leading role in developing the International Coffee Agreement. We have also supported, in varying degrees, negotiations for agreements on other products. On the other hand, we have continued to express doubts as to the effectiveness of commodity agreements as a panacea, and we oppose the French view of using them

to set prices at an artificially high level. We feel that it would be unwise and unworkable in the long run to extend such price supports internationally. Rather, we favor long-term measures such as reduction of trade barriers, expanded markets, and more efficient production—measures which are not trade restrictive, but trade creating in nature.

Generalized Tariff Preferences

Aware that the expansion of world trade in manufactures is growing twice as fast as trade in agricultural and other primary products, the developing countries are seeking ways to expand their industrial output for a larger share of the market. To help them obtain this they want the developed countries to give preferred treatment to their manufactured and semimanufactured products.

Traditionally wedded to the principle of most-favored-nation treatment, the United States was reluctant at first to support a scheme of generalized tariff preferences. Three factors influenced the United States to revise its position: first, the recognition of the justice of the developing countries' claim for special advantages to permit them to speed economic development and diversification; second, a growing concern over the proliferation of special trade arrangements which discriminate among developing countries and threaten to fragment world trade; and third, pressure from Latin American countries for exclusive trade arrangements.

In the negotiations within the Organization for Economic Cooperation and Development regarding the form and structure of generalized nonreciprocal preferences, the United States took the lead in pressing for a liberal scheme easy to administer and with maximum benefits for the developing countries. The U.S. proposal provides for duty-free entry without quantitative restrictions for most manufactures and semimanufactures and, for the benefit of the least developed states, certain primary products, in-

cluding agricultural items. Although we are committed in principle to this approach, a proposal for generalized preferences has yet to be submitted to Congress.

The United States made it clear that it is opposed to "reverse preferences." It would be difficult for us to offer our proposed preferences to countries which maintain reverse preferences. The term refers to preferences which have been extended by a developing country to a developed country in reciprocity for preferential access to the latter's markets. As an example of reverse preferences, the Ivory Coast might admit certain French goods—say a tractor—without imposing import duty, in exchange for similar privileges for their own exports to France. The duty-free French tractor would therefore enjoy a special advantage over the tractors of the United States and other third countries competing for the Ivory Coast market. Reverse preferences are not necessarily advantageous for the developing countries according them, since they can result in higher prices for many imports while reducing tariff revenues. Nevertheless a number of developing countries grant reverse preferences since they believe them to be a condition of aid from the Common Market nations.

The effect of generalized tariff preferences on exports of developing countries is difficult to predict. So much depends on their own efforts to take advantage of the opportunities. Because of a lack of industrialization, the least developed states, with per capita incomes under \$100, will find it difficult to gain any benefit from trade preferences which are accorded to manufactured and semimanufactured goods. Considering the demand in the developed countries for most manufactured goods and the limited capacity of the developing countries to produce them, the developing countries will be able to supply only a small part of the total market. The developed countries in 1969 imported \$106 billion in manufactured products; only \$5 billion came from the develop-

ing countries. U.S. imports ran approximately \$1 billion, or less than 3 percent of total U.S. imports.

The United States is committed to trade policies which recognize the special needs of the developing countries. Submitting the issue to Congress now might open the doors to restrictive legislation and do more harm than good to prospects for free world trade.

In spite of current preoccupation with our balance of payments problem, we cannot long remain indifferent to the potential markets for U.S. goods in a growing and prosperous developing world. Nor can we afford to ignore the growing effort of developing countries to market their goods and the possibilities for alienation and instability if they are excluded from a fair share of the world market. The United States stands to gain in a liberal trading system in which the developing countries have full opportunity to participate.

There is a growing recognition among the developing countries that internal policies are directly linked to export development. For example, they are becoming more aware that if they are to benefit from special trade measures, they must make their exports more competitive. A number of developing countries have taken steps to improve their climate for investment as a means of attracting foreign and domestic capital. On the other hand, there is wider recognition of the fact that the establishment of some types of major industry in the developing world can be uneconomic.

The problem then in its simplest terms is, on the one hand, to find a way to insure the Ethiopian a stable market for his coffee or the Ghanaian a market for his cocoa at a price that will not be unacceptably burdensome to the U.S. housewife; on the other hand, there must be a recognition that the developing countries cannot find the means to develop if they are unable to earn sufficient foreign exchange through the sale of their basic commodities or if the prices of equipment from the developed world are out

of reach. Failure to find an accommodation may result in a large number of developing countries angry and frustrated, resentful of a system which excludes them from prosperity, and eager to bring about major changes in that system. As a major part of the world's trading system we cannot ignore their plight.

Emergency Assistance Programs for South Asia

Following is an exchange of letters between President Nixon and four members of his Advisory Panel on South Asian Relief Assistance.

White House press release dated October 6

PRESIDENT NIXON'S LETTER

OCTOBER 5, 1972.

DEAR (*member's name*): I deeply appreciate the time and thought that you and the other members of the Advisory Panel on South Asian Relief Assistance have devoted over the past year to our emergency economic assistance programs in South Asia. The perspective and insight which all of you have brought to your continuing review of these programs have been of great value to us.

Your reflections concerning your firsthand observations in Bangladesh are most gratifying. It has been my objective throughout this difficult period in South Asia to assure that, at a minimum, the absence of the essentials of life would not further heighten the tension that already existed there. I recognized in 1971 and I recognize now that making available the economic necessities cannot by itself assure peace or peaceful development. These objectives can ultimately be achieved only in a stable political environment and only when neighbors have enough confidence in one another so

that normal relationships can be established across their borders.

At the same time, the United States could not and cannot ignore the needs and the aspirations of the more than 700 million South Asians. Our effort to join other nations in meeting the most urgent needs of those who live in this area has reflected not only our compassion for them in their distress but also our recognition that an orderly society depends on the capacity of governments to "promote the general welfare."

Again, my warmest thanks for your help.

Sincerely,

RICHARD NIXON.

ADVISORY PANEL MEMBERS' LETTER

DACCA, BANGLADESH,
September 8, 1972.

DEAR MR. PRESIDENT: The undersigned members of your Advisory Panel on South Asian Relief Assistance have recently completed an intensive visit to Bangladesh. We hereby submit our views and conclusions derived from many visits and conversations. We have met with Ministers, officials and private citizens of Bangladesh, with United Nations officials, with representatives of American voluntary agencies and with members of the U.S. Mission. These conversations were supplemented by field trips.

The emergency aid to Bangladesh since its independence struck us forcefully as a truly superb example of the traditional American response to the need of people in deep distress. The American people, in giving through the Government, the United Nations and voluntary agencies, one-third of a total world-wide relief effort of approximately \$800 million to rescue a new country half way around the world—more than any other country—have once again been true to their inheritance.

This humanitarian effort has contributed significantly toward helping this new, war-torn country and its Government under Prime Minister Sheikh Mujibur Rahman to make the painful transition to independence. We believe that the Prime Minister and his colleagues are aware of that fact.

We should like to record our conviction that the mobilized efforts and resources of the world have forestalled a major famine. The United Nations, through the Secretary General's appeals last year

and this and through its operations in the field, has played a major role in this achievement. The performance of the UN has justified the United States in deciding, after we had seen the danger, that the UN could play such a role and our determination to help it do so effectively.

The newly emerging nation of Bangladesh is facing an extremely complex range of human problems. Certainly the potential for catastrophic suffering is unparalleled in modern history. But the end of the present crisis appears to be approaching. Unless another natural disaster should strike, Bangladesh should, by the spring of 1973, be emerging from the relief stage and launched upon a period of reconstruction and development. The United Nations coordinating organization, UNROD (United Nations Relief Operation, Dacca), is expecting to turn over its major responsibilities to the Government of Bangladesh next spring and to leave to the regular UN agencies tasks such as they have traditionally undertaken in this and other developing countries.

Bangladesh is now turning to a new task in a new set of circumstances. Serious problems will unquestionably arise and there will be many hard decisions to make. We believe that the United States can contribute to this difficult—even dangerous—transition in a number of useful ways. We shall spell out our suggestions in some detail in a report to Mr. Maurice J. Williams, your Coordinator for U.S. Humanitarian Assistance for South Asia.

Our visit has underlined for us the importance of your request for \$100 million of grant aid for Bangladesh for the current fiscal year and the necessity that the Congress act favorably upon that request. We urge that, in addition, appropriate amounts of PL-480 foodstuffs be earmarked for Bangladesh.

From the observation of the performance of the remarkably vigorous staff—all in their early thirties—of the A.I.D. office in Dacca, we are confident that these funds will be imaginatively and effectively used.

We believe on the basis of preliminary projections we have seen that the proposals for fiscal 1974 will set forth the basis for an effective development program for Bangladesh.

We wish to express our appreciation of the opportunity you have given us to serve you in an endeavor that reflects great credit on our country and its humanitarian traditions.

Faithfully yours,

JEANNE R. FERST.
GLEN HAYDON.
JOSEPH E. JOHNSON.
MAXWELL RABB.

Department Discusses Grievance Procedures for the Foreign Service

*Statement by William B. Macomber
Deputy Under Secretary for Management*¹

I welcome this opportunity to report on the steps the Department of State has taken to institute modern grievance procedures and to present our position with respect to grievance legislation.

Let me say at the outset that we support the enactment of legislation embodying the basic principles of a sound grievance procedure as an amendment to the Foreign Service Act before the present Congress adjourns. However, we remain strongly opposed to the bills presently before the committee, both because they are too detailed and because they contain a number of provisions which we think are unsound.

Before turning to a discussion of the legislation, I should like briefly to provide some background; for this has been a period of rapid and important change within the Department of State.

Soon after entering my current assignment I concluded that the Department was faced with two serious "lags." The first was with respect to the modernization of the management of the Department; that is, the way we manage our substantive responsibilities. The second was with respect to devel-

opment of a modern system of human relations.

Our situation was not unique, of course, for most large institutions suffer from both a management gap and a human relations gap. But our situation was exacerbated by the fact that the nature and scope of diplomacy had, until World War II, been one of the most static and unchanging of all human endeavors for hundreds of years. Thus, while all institutions have had to deal with the rapidity of change in recent times, our problem was compounded by the extraordinary absence of change in the previous centuries.

On earlier occasions I have discussed with this subcommittee the efforts we have made to close the managerial gap. Through a unique and far-reaching in-house reform program (manned not by outside experts, but by large numbers of our own career professionals) we have made major progress in the past two years. This has involved over 400 reforms in our management system, including development of a new Department-wide programming system, restructuring of the senior echelon of the Department, creation of a new inspection system which deals with policy (rather than just people and accounts), as well as extensive changes in our recruiting system, in our promotion system, and the like.

Despite what we have achieved, this managerial gap will in the long run be the more difficult to solve, because in so many respects

¹ Made before the Subcommittee on State Department Organization and Foreign Operations of the House Committee on Foreign Affairs on Sept. 28. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

it must be a pioneering effort. At the risk of being undiplomatic with my diplomatic colleagues from other nations, let me point out that there are no "modern" foreign offices anywhere. The truth is that all foreign offices have a far better idea of what their job used to be than what it is today.

In times past, governments traditionally dealt with each other almost exclusively through their respective foreign offices and their embassies, which were branches of those foreign offices.

Now all governments not only have much more extensive and active contacts abroad, but these are carried out by almost every element of their respective executive branches. State departments and foreign offices no longer have the exclusive patent in this field they once had. This certainly does not mean that their job is less important; in fact it is undoubtedly more important. But it does mean the job is different and more difficult, and no nation has really yet sorted out in a final sense how to coordinate and manage its foreign affairs in the years ahead. This means that the abler foreign offices everywhere are in a state of uncertainty and change as they seek to define their new role and gear up effectively to play this role. And this process is going to continue for a number of years to come.

Employee-Management Relations System

In the human relations field, however, the situation is quite different. Whereas there are no modern foreign offices to pattern our progress on in a managerial sense, there are many institutions which have licked the problem of modern and fair human relations. So here we do not have to pioneer. Here we can draw heavily on, and borrow and adopt from, the extensive experience and examples already available to us.

With respect to the human relations gap, we have already made very considerable progress. In this effort, we are focusing primarily on two critically important steps.

The first of these is the establishment of

an effective employee-management relations system which will deal with general personnel policy matters and give members of the Foreign Service, as a whole, real "clout" or voice in these matters. The second is the establishment of an effective and credible grievance system which will deal fairly with individual employee grievances.

We have created an employee-management relations system specially tailored to the Foreign Service and built around the framework of Executive Order 11636.² Two employee organizations, the American Foreign Service Association (AFSA) and the American Federation of Government Employees, Local 1534 (AFGE), are on the ballot for an election which will formally begin no later than October 16 and which will determine whether either of these organizations will be chosen by State Department employees of the Foreign Service to be their exclusive representative in dealing with management in personnel matters.

Under Executive Order 11636 the personnel officials of the Department are required to consult with the exclusive representative (assuming one is chosen) on personnel policies which either the Department or the employees wish to change. If these consultations do not result in agreement, the employees' representative can appeal the decisions of the Department's administrative officials to the Board of the Foreign Service, which has two subgroups to help it carry out its responsibilities under the Executive order.

I wish to emphasize that both of these groups are independent of the personnel management of the Department. Thus, the three-member Employee-Management Relations Commission is made up of representatives of the Department of Labor, the Civil Service Commission, and the Office of Management and Budget. This Commission has the final say with respect to the supervision of elections and the adjudication of unfair labor practice complaints.

² For text of the Executive order, see BULLETIN of Feb. 14, 1972, p. 213.

The second subgroup is the Disputes Panel. Its function is to make findings of facts and seek a solution through mediation when the administrative authorities of the Department are unable to reach agreement with the exclusive representative of the members of the Foreign Service. Once again, the majority of the five-member Disputes Panel comes from "outside" the Department, since it is made up of one member from the Department of Labor, one from the Federal Service Impasses Panel, one from the public, and two from the Foreign Service. Neither of these latter two can be a management official, confidential employee, or an employee organization official. If the Panel fails in its mediation efforts, it must then recommend an appropriate solution to the Board of the Foreign Service.

The subcommittee should note that if the employee representatives desire a change in personnel policies they themselves can take the initiative in calling for consultations, and if following these consultations personnel authorities remain in disagreement with the employee proposals, the same appeal system applies.

These arrangements, which we are now in the process of inaugurating, have a strange ring to diplomats of an older era—and even to some of the present day. But I believe the key to having a strong and disciplined Foreign Service is to have a fair Service and an essential ingredient to a fair Service is the development of the kind of an employee-management relations system which we are now inaugurating.

Interim Grievance Procedure

The second crucial step in developing a modern human relations system in the Department is the development of a sound and modern grievance procedure.

Although I set up the office of *ombudsman* soon after I entered on this job, until our more recent changes the formal Foreign Service grievance system was a limited one and was not independent of the Depart-

ment's personnel authorities. Nor were the individual's rights clearly defined and understood. As I have frequently stated, this was supplemented through the years by an informal system in which I believe a real effort was made to be fair but which was neither independent of the personnel authorities nor characterized by a specific definition of the rights of an aggrieved employee. I do not myself for a moment believe that the Department was run over the years as unfairly as some of its critics have charged, but there is no denying that the old system was paternalistic and rectification of error was often dependent on the good will and intervention of senior officials. Such a system is not acceptable or credible for today.

In the spring of 1971 we were working out with the Federal Labor Relations Council our new employee-management relations system, subsequently promulgated in Executive Order 11636. At the same time as we were consulting with AFSA and AFGE regarding the development of this system, we were also consulting with them on a new detailed grievance procedure which we wished to have included in the same order. However, at that time we were informed by the staff of the Federal Labor Relations Council that a detailed grievance procedure should not be included in the Executive order but rather that this was precisely the type of thing that should be subsequently developed by, and worked out under, the new employee-management relations system which the Executive order was creating. Thus, at the staff's suggestion we did not attempt to include a definitive grievance procedure in the Executive order, but instead included language in the order which said in effect that once an organization had been elected to be the exclusive representative of the employees one of the early orders of business under the new order would be the working out of a definitive grievance procedure. We therefore discontinued our discussions with the employee organizations concerning a new grievance procedure until an election under the new order could be held.

However, fairly soon after this we realized that there would be delays in the issuance of the Executive order and that considerable additional time would be needed to implement its requirements and arrange for the election, due in part to the right of the parties to raise issues as to voter eligibility under the terms of the Executive order. This would mean that for at least some time there would be no negotiation of a permanent definitive grievance procedure.

In view of this we unilaterally instituted, as an interim device, an interim grievance procedure designed to operate until it could be replaced by a definitive procedure bargained out by the management of the Department and the elected employee organization.

The Foreign Service grievance procedure now in effect, while interim, is an important first step in the evolution of a definitive grievance system and is more progressive than that available to many others in and out of government. It is presided over by Mr. William Simkin, who was previously for eight years the Director of the Federal Mediation and Conciliation Service. We believe that the record now developed under this system clearly establishes that these procedures provide the four basic elements essential to any effective grievance system; namely, fairness, impartiality, independent decisions, and effective relief.

In summary, here are the more important provisions of the interim grievance procedures which are now in effect:

—With certain stated exceptions, the grievance regulations permit any Foreign Service officer or employee of any of the three foreign affairs agencies, in Washington or abroad, to file a grievance on any matter of concern or dissatisfaction to the employee which is subject to control of his agency. The list of matters not grievable is a short one, and all the matters excluded are also excluded in the Civil Service Commission grievance system.

(Parenthetically, but of critical importance, I can report to the subcommittee that

the most criticized exclusions—nonselection for promotion and selection-out—do not deserve their reputation. From the beginning these exclusions have themselves been subject to the exception that grievances concerning nonpromotion and selection-out may be pursued if related to “a specific inaccuracy, error, or falsely prejudicial statement in (a) performance file, including efficiency reports.” As of September 1, fully 60 percent of all formal grievances filed with the Board related to selection-out or nonpromotion. Of the six selection-out cases decided by the Board, four were set aside. Of the 39 cases filed with the Board otherwise related to nonpromotion, only four have been ruled not in the Board’s jurisdiction. Similarly, assignments are grievable if the grievance related to an alleged violation of a specific regulation.)

—They provide guarantees of freedom from fear of any interference, restraint, coercion, or reprisal for grievants, their representatives, and any witnesses participating in a grievance.

—They provide informal procedures, which our experience to date in Washington shows result in resolution some 63 percent of the time. But the Grievance Board can waive the informal stage if it determines that resort to it would be futile.

—They established a Grievance Board independent of management, with two public members, two members from each foreign affairs agency, and an outside Chairman. The agencies designate their members, the Secretary appoints the Chairman, and the Chairman appoints the public members. The Chairman and all of the members, including the public members, are appointed from lists which must first be presented to the employee organizations for approval or rejection of each name on the list. At this point I should emphasize the Department’s strong conviction concerning the desirability of, as here, a judicial-type board rather than a tripartite board where two of the three members are representatives of the two parties to the grievance. Under that system the chairman

is the only independent judge and inevitably is under pressure from each of his associate board members to reach a decision favorable to the opposing interest they represent. In such a situation the likely result is that the chairman acts as a broker, seeking compromise solutions. Under our system no member of the Board is an advocate of either side. All owe their positions to the approval of both the employees and management, and all are operating in a judicial rather than a representative capacity.

—The Grievance Board has independent staff and outside counsel. The Board is authorized to promulgate its own internal procedures for the conduct of investigations, interviews, and hearings, and under this authority it has adopted a rule which not only guarantees freedom from agency domination but even the appearance of agency domination. Agency members do not investigate or sit on panels which consider grievances from their own agency; i.e., when the Board is investigating or holding a panel hearing of a State Department grievance, only a public member or a member from USIA or AID may conduct the investigation and only a public member and two non-State Department members may sit on a hearing panel.

—They provide for a grievant to be accompanied, represented, and advised by an employee organization representative and up to two more representatives of the grievant's own choosing during all stages of presentation of the grievance.

—The grievant and his representative or representatives are allowed reasonable time in duty status to participate in, and to prepare for participation in, a formal grievance.

—In grievance hearings the grievant may call witnesses and cross-examine witnesses called by the Board or the agency.

—The grievant and his representative may have access to such official agency records as the Board deems necessary for an adequate presentation of the grievance.

—Refusal by an agency to provide a record (or an appropriate summary of a classified or privileged document) requested by the

Board or to make available a witness in person or, where impractical, by deposition or interrogatories, may be deemed by the Board to constitute an admission by the agency of the truth of the grievant's allegation concerning that record or the testimony of that witness.

—They grant authority to the Board, in deciding grievances, to *order* (up to the limits of the agency head's authority) a wide range of remedies. Under this authority the Board has, for example, ordered the removal of reports from personnel files, extended an officer's time in class, placed its recommendations for promotion in the files reviewed by selection boards, and urged special consideration of an officer in making assignments. (In grievances where the remedy would involve promotion, reassignment, or disciplinary action the Board may only make recommendations to the head of the agency. The record discloses that to date every such recommendation has been adopted by the Secretary of State.)

—The record of proceedings of the Board, which is available to the grievant and his representative at all stages of the Board's consideration of a formal grievance, is retained and held in confidence by the Board.

Mr. Chairman, at the time they were issued, these grievance procedures were substantially in advance of those in effect in most other agencies of the government. As Mr. [Raymond] Jacobson of the Civil Service Commission has testified, and subsequent to the institution of the interim grievance procedures, Executive Order 11941 (which governs employee-management relations for other than the Foreign Service) was amended to require agencies and unions to develop grievance procedures through negotiated agreement. As a result, a number of other agencies of the government are making progress in the area of grievance procedures. But we still believe that our interim grievance procedures remain in the forefront with respect to the four elements which I listed earlier; i.e., fairness, impartiality, independent decisions, and effective relief.

Having spoken to the principles which underlie our interim system, let me turn now to the question of how in fact this system has been working.

As of September 20 a total of 132 grievances (out of a State Department Foreign Service corps of approximately 7,000) have been received by the Director of Personnel of the Department for final informal review. This review has already been completed in 113 of these cases. Almost two-thirds of these have been resolved without being appealed to the Board. The overwhelming majority of the informal grievances received to date relate to either errors, inaccuracies, or falsely prejudicial statements in efficiency reports or a technical violation in the preparation and submission of these reports. The nature of the remaining grievances varies widely, involving such matters as denial of claims and allowances, discrimination because of age, security violations, assignments to other agencies, et cetera.

As to the success of the Board which considers formal grievances, the best evidence is the statement to this subcommittee submitted by Mr. William E. Simkin, the Chairman of the Foreign Service Grievance Board, and the additional testimony of Mr. Alexander Porter, a public member of the Board. As can be seen from that testimony, the Board is handling cases, is making decisions, and is providing redress.

I might mention, parenthetically, that—perhaps not surprisingly—the most sensitive of the Board's decisions have been those recommending immediate redress promotions without further reference to a Selection Board. Within the Foreign Service of the Department of State, there have been two of these to date. As I have mentioned, the Secretary accepted both of these recommendations; and on September 19 these nominations were submitted to the Senate for confirmation. (During this period, there have been two additional redress promotions, one growing out of an equal employment opportunity complaint and one from a grievance brought under the old formal grievance

regulations.) My impression is that when faced with redress promotions, the leadership of the Department is more comfortable in accepting these recommendations than are many members of the Foreign Service. I myself favor them because I believe that in certain cases there is no other meaningful redress available.

Principles for Grievance Legislation

Mr. Chairman, as you and the other members of this subcommittee know, from the time of the introduction into the Congress of the first of the various bills which would prescribe in detail grievance procedures for the Foreign Service, the position of the Department of State and of the executive branch as a whole was that (taking a leaf from the private sector) a definitive grievance procedure could most appropriately be developed through the employee-management relations system; that it should be bargained out there rather than be unilaterally imposed by legislation; that once such a system had been bargained out, however, the Department would be prepared to support legislation in the form of an amendment to the Foreign Service Act incorporating the *general principles* of that grievance procedure. We stated this in the comments of the executive branch on S. 2023 to the Senate Committee on Foreign Relations in September of 1971, and I reiterated this position in my testimony to that committee in October 1971. As recently as February 15, 1972, Secretary Rogers urged the Foreign Relations Committee not to proceed with legislation at that time, while restating his personal support for later legislation incorporating the basic principles of the bargained-out definitive procedures as an amendment to the Foreign Service Act.

It became increasingly clear, however, that certain members of Congress were anxious to enact legislation before the employee-management relations system could produce a definitive grievance procedure. It also became clear that, as Under Secretary for

Political Affairs U. Alexis Johnson reported to the Secretary, a broad consensus existed within the Foreign Service itself favoring the adoption of grievance legislation at this time. Ambassador Johnson indicated that he personally also believed "that such legislation properly drafted is desirable."

As a result, in April of this year Secretary Rogers wrote the chairmen of both the Foreign Relations Committee and the Foreign Affairs Committee stating that we had "now concluded that legislation setting forth general principles for a grievance procedure . . . would be desirable at this time." What in effect he was saying was that while the Department initially preferred legislation incorporating general principles after the bargaining process was completed, we would now support general legislation before that process—as long as it was limited to general principles and still allowed the parties to work out a mutually acceptable detailed system. As you know from Mr. Jacobson's testimony, while the Civil Service Commission still does not agree with our position and would prefer no legislation, it has been willing to defer to the views of the Department of State and the other agencies directly concerned.

Mr. Chairman, both as the principal representative of the executive branch at these hearings and personally, I am here seeking legislation—and that legislation now. But I would be irresponsible in both capacities if I did not forcefully convey to the members of this subcommittee my own conviction, that of Secretary Rogers, and of the administration that such legislation should be a statement of principles within which the proper parties—the representatives of the employees and the management of the agencies affected—are directed to work out detailed procedures.

The key to the development of a sound grievance procedure is that it should be a mutual product of employees and management and the result of a bargaining process. This is the traditional manner in which grievance procedures are developed in this coun-

try; and influenced by the provisions already incorporated in our interim grievance procedure, a number of progressive grievance procedures are being bargained out elsewhere in our government in just this manner and without the existence of any legislation.

I am opposed to the legislation before you because it circumvents and aborts this bargaining process, because it is much too detailed to be wise legislative practice, and because it is unsound, in my judgment, in a number of its provisions.

There are some who would lead the Congress and the press to believe that our opposition to the legislation stems from a desire to resist change and to preserve against all efforts an archaic and outmoded personnel system. But the record of the Department's leadership in the past few years belies this charge. We have not resisted change; we have sought it in the grievance area and in many other areas.

With specific reference to grievance procedures, the Department has in fact been a pioneer in developing the provisions of a modern system and in this respect is, as I have already stressed, in advance of many other elements of the executive branch. On the basis of this record and on the basis of our recent and active experience with the implementation of modern grievance procedures, I respectfully suggest that our objections to the proposed legislation are entitled to careful consideration. Similarly, I would urge the committee to act favorably on our suggestions with respect to what should be included in any grievance legislation enacted at this time.

Mr. Chairman, with respect to the latter, we believe the legislation in the form of an amendment to the Foreign Service Act should include the following:

1. A statutory requirement that the Secretary of State establish a grievance system for the Foreign Service.
2. That this system be established, and thereafter modified, through the bargaining process with the appropriate employee organization under Executive Order 11636.

3. That this system include an impartial board for the consideration of formal grievances.

4. That all members of this board shall personally be independent of the management of the foreign affairs agencies involved.

5. That all members be appointed by the Secretary of State with the concurrence of the exclusive representative (or representatives) of the officers and employees of the Foreign Service, if such is chosen.

6. Among other matters, the board should be empowered:

a. To have access to all materials which, in its judgment, are necessary to reach a determination on a grievance, unless the Secretary, in the case of classified, privileged, or otherwise sensitive matters, finds that disclosure would not be in the public interest; in such a case, however, the board may in its discretion deem as admitted any allegation of the grievant concerning such material;

b. To hold a formal evidentiary hearing when the grievant has exhausted his avenues of informal appeal or when the board determines that processing the grievance informally would be fruitless;

c. To have any hearing transcribed verbatim and made a part of the record; and

d. Under extraordinary circumstances, to make a preliminary recommendation, before final determination of a grievance, that the Secretary suspend an act when it determines that the grievant will otherwise suffer irreparable harm if his grievance should prevail on the merits.

7. That the term "grievance" be defined broadly as any matter resulting from denial of due process or from an arbitrary act adversely affecting an employee in the Service, excluding substantive aspects of foreign policy, general management policies, matters for which procedures for review and redress are already provided by law, and any matters specified for exclusion after consultation with employee organizations as required by Executive order.

8. Employees should be guaranteed the following rights:

a. To be free from any restraint, interference, coercion, discrimination, or reprisal in or by reason of the presentation, appearance as a witness, or other official involvement in a grievance proceeding;

b. To have a formal evidentiary hearing in any major case if desired by the grievant;

c. To present a grievance in person and to be accompanied by counsel or other representatives of the grievant's own choosing at every stage in the proceeding;

d. To call and examine witnesses in the grievant's behalf at hearings before the board and to cross-examine all other witnesses;

e. To have access to all evidence considered by the board in reaching a determination, including a verbatim transcript if there is one.

9. That where the board determines that appropriate relief is any action other than promotion, reassignment, or disciplinary action, its decisions shall be final, conclusive, and binding on all parties. Where the board determines that promotion, reassignment, or disciplinary action is the proper remedy in any case, it shall certify to the Secretary its findings, recommendations, case records, and any transcripts of hearings. The Secretary's decision then becomes final, conclusive, and binding on the parties.

10. That the system include informal procedures for resolution of a grievance prior to submission of a grievance to the board.

Having listed these principles, I now turn to our objections to the bills presently pending before the committee. While they differ in some details, most attention has been devoted to that proposed legislation currently embodied in S. 3722 and H.R. 15457, so I shall limit my prepared observations to these, while being willing to respond to any questions which members may have concerning the other bills where they may differ.

Under these bills a Foreign Service employee could bring a complaint objecting to

—almost literally—anything. According to the language contained in the bills' definition of a grievance, a complainant could bring an action against any assignment which is proposed for him. He could bring an action against an assignment which has been given to another employee which the grievant thinks he should have had instead. Similarly, grievants could bring actions for their own failure to be promoted and also against the promotion of someone else. Complaints could be brought against almost any form of oral or written criticism of the complainant or, indeed, against oral or written praise of any other employee.

Since exceptions formerly expressed in a similar bill, S. 2659, do not appear in the proposed legislation, there is a danger that complaints might even relate to the substantive aspects of the President's foreign policy and to general management policies of the foreign affairs agencies. Grievance procedures for individuals are singularly inappropriate for both of these subjects. The consultations with recognized employee organizations required under Executive Order 11636 are specifically designed for collective comment by employees on the content of personnel policies.

Once a complaint is filed the whole machinery would inevitably be brought into play, since a formal hearing would be required in every case. Many man-hours would be required for the complainant and management to prepare for and participate in these hearings. The complainant has the right of unlimited interrogatories and depositions of anyone under the control, supervision, or responsibility of the Department, without the need of board approval. A multiplicity of departmental witnesses for both the complainant and the defendant could be expected.

The burden on management and personnel officials would be further increased by these bills since they would make the procedures available to litigate alleged grievances of former Foreign Service personnel (or their survivors) dating back to 1946, of whom there are over 40,000.

The board would be given the power to order the Department to suspend any action which is related to, or may affect, a grievance pending before the board. Under this authority the urgent dispatch of an officer abroad could be held up if another officer desired the assignment and filed an action with the board. The promotions of hundreds of officers could be held up on the complaint of a single individual. An ambassador could be required to retain an officer on his staff whom the ambassador had found completely unsuitable. There are no exceptions to the board's power in this regard.

These bills give the board plenary authority to direct the Secretary to grant such relief as it deems proper, with the exception that if the relief to be granted relates directly to promotion, assignment, or selection-out, the Secretary could decline to accept a recommendation of the board if—and only if—in a fully documented statement personally signed by him and furnished to the grievant, he determines that “the foreign policy or security of the United States will be adversely affected.” While this language purports to give the Secretary some discretion, it is in fact a serious and undesirable invasion of necessary management discretion.

As noted earlier in my statement, we seriously disagree with the wisdom of creating a tripartite adversary board. In such a board, as I have indicated, two of the three members tend to represent the respective points of view of opposing parties, and the outcome may often be a compromise decision, brokered out by the third member, except where the grievance is one of obvious merit or patent frivolity. Rather, as I have stated earlier, we recommend a board in which each member acts in a judicial capacity—not as a representative of either of the employee or management.

In addition, we have another serious objection to a tripartite board, which is that it is inherently inefficient. No one member is likely to be designated to conduct a pre-hearing conference, examine evidence, or perform other functions on behalf of the

board. Virtually all activities require the presence of all three members. This severely limits the number of cases that the board will be able to handle or will result in the proliferation of three-man panels.

Apart from these general considerations, the particular panel provided for in the bill is specifically objectionable. Under the employee-management relations system, Foreign Service employees of each of the foreign affairs agencies have the right to vote for an organization that has qualified for a place on the ballot to be their exclusive representative. They also have the right to vote against exclusive representation by any organization.

If different organizations were to win representation elections in each of the foreign affairs agencies it would appear that three different panels would be needed. This could be avoided only if the different organizations all chose the same representative on the panel. Thus, similar grievance complaints could result in widely inconsistent results. Considering the seemingly limitless definition of "grievance," cumulative inconsistencies among the grievance decisions of the three agencies might well result.

While there are a number of technical deficiencies concerning which we shall be glad to confer with the staff of the subcommittee, I shall make one final comment. These bills continue to vest in grievants an improper election of remedies. The Secretary should be able to exclude entirely from the grievance procedure matters for which another adequate remedy exists under law or regulation. On the other hand, under section 693 of these bills, an employee could inadvertently lose important rights, such as rights of appeal under the Veterans' Preference Act in separation cases, simply by filing a grievance.

Mr. Chairman and members of the committee, as you know there has been considerable public attention given to some of the matters that I have been discussing today; but rarely, if ever, have I seen an objective accounting of what is being accomplished. While much remains to be done, I hope very

much that the controversy over the particular issue we are discussing today has not left an exaggerated view in the public mind of the discontent in the Foreign Service. In this connection, I think it is worth noting that the voluntary attrition rate for Foreign Service officers in fiscal year 1972, when this controversy was at its height, was only one-third of that of the Federal Government as a whole, and approximately one-ninth of that in nongovernment manufacturing industries. The attrition figures for the Foreign Service were 2.6 percent, for the Federal Government as a whole 8 percent, and for nongovernment manufacturing industries 23.9 percent.

Against this background I can also report that while for the first seven months of the operation of our present grievance procedure there were some 78 formal cases filed with the Grievance Board (from all three foreign affairs agencies), in the last seven weeks only two additional cases have been filed.

Mr. Chairman, in conclusion let me make this final comment. I have great respect for Senator Cooper and Senator Bayh, and I know that through their proposed legislation they are, in the midst of other heavy burdens, sincerely seeking to strengthen the Foreign Service. That is also this subcommittee's objective, and this is Secretary Rogers' and my objective as well. It is also the objective of a good many others who have been involved in this controversy. The argument has not been over the end, but over the means to that end.

In this connection there is one final reason I oppose the Cooper-Bayh bill. In the long run the most important step we can take to assure a fairer Foreign Service personnel system is to build, as we are doing at this time, a meaningful employee-management relations system. With the development of such a system we will have something the Foreign Service has never had before—established institutional procedures which guarantee to the members of the Service a meaningful voice in personnel policy matters. In this human relations area, I regard

the development of this system as potentially the single most significant accomplishment of the period during which I have served as Deputy Under Secretary.

I believe that all who are interested in building a stronger, fairer Foreign Service should refrain from taking any steps which would undermine this system. I can think of few steps better calculated to do just that than the enactment at this time of detailed grievance legislation. In the months and years ahead, the employee-management relations system should deal with many key personnel policy problems, but few if any will exceed in importance the joint working out of an acceptable and effective grievance procedure. That is exactly the type of problem the system is designed for. If, however, right at the start either of the two parties in the system, the employees or management, finds that they can run to the Hill and unilaterally impose a solution outside the system, then the system will have been badly damaged before it has really got underway. For this is a tactic not just open to one side. If certain employees are successful on this occasion, surely management can be so on others.

All life is a balancing of priorities; and if the Foreign Service were currently without any meaningful grievance system or prospect of achieving one, then perhaps unilateral and detailed legislative action, whatever its cost to the new employee-management relations system, would be justified. But this is patently not the case. Clearly we already have grievance procedures which are in the forefront of those in the Federal Government. Elections have been called, and a first order of business after the results are known will be the replacement of these progressive but interim procedures by ones mutually developed in this new employee-management system.

Given this situation, I respectfully urge that Congress enact general legislation embodying the principles I have outlined. I urge this committee to reject detailed legislation which would preempt decisions which

should be made by the employee-management relations system and thereby undermine this vitally important institution just as it is getting underway.

TREATY INFORMATION

Current Actions

MULTILATERAL

Atomic Energy

Amendment of article VI of the statute of the International Atomic Energy Agency of October 26, 1956, as amended (TIAS 3873, 5284). Done at Vienna September 28, 1970.¹

Acceptances deposited: Cameroon, Saudi Arabia, October 6, 1972.

Aviation

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971.¹

Signature: Australia, October 12, 1972.

Consular Relations

Vienna convention on consular relations. Done at Vienna April 24, 1963. Entered into force March 19, 1967; for the United States December 24, 1969. TIAS 6820.

Ratification deposited: Colombia, September 6, 1972.

Accession deposited: Portugal, September 13, 1972.

Load Lines

International convention on load lines, 1966. Done at London April 5, 1966. Entered into force July 21, 1968. TIAS 6331, 6629, 6720.

Accession deposited: Austria, August 4, 1972.

Extension by the United Kingdom to: Hong Kong, August 16, 1972.

Oil Pollution

International convention for the prevention of pollution of the sea by oil, as amended. Done at London May 12, 1954. Entered into force July 26, 1958; for the United States December 8, 1961. TIAS 4900, 6109.

Acceptance deposited: Fiji (with a declaration and reservations), August 15, 1972.

Amendments to the international convention for the

¹ Not in force.

prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Done at London October 21, 1969.¹

Acceptances deposited: Egypt, August 14, 1972; Fiji, August 15, 1972.

International convention on civil liability for oil pollution damage. Done at Brussels November 29, 1969.¹

Accession deposited: Fiji, August 15, 1972.

International convention relating to intervention on the high seas in cases of oil pollution casualties, with annex. Done at Brussels November 29, 1969.¹

Accession deposited: Fiji, August 15, 1972.

Safety at Sea

International convention for the safety of life at sea. Done at London June 17, 1960. Entered into force May 26, 1965. TIAS 5780.

Acceptances deposited: Austria, August 4, 1972; Fiji (with a declaration), August 15, 1972.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London November 30, 1966.¹

Acceptance deposited: Fiji, August 15, 1972.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London October 25, 1967.¹

Acceptances deposited: Egypt, August 14, 1972; Fiji, August 15, 1972.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London November 26, 1968.¹

Acceptances deposited: Egypt, August 14, 1972; Fiji, August 15, 1972.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London October 21, 1969.¹

Acceptance deposited: Fiji, August 15, 1972.

Tonnage Measurement

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969.¹

Accession deposited: Iraq, August 29, 1972.

BILATERAL

Belgium

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income. Signed at Brussels July 9, 1970. Entered into force October 13, 1972.

Proclaimed by the President: September 25, 1972.

Canada

Agreement relating to the establishment of a Canada-United States committee on water quality in the St. John River and its tributary rivers and streams which cross the Canada-United States boundary, with annex. Effected by exchange of notes at Ottawa September 21, 1972. Entered into force September 21, 1972.

¹ Not in force.

China, Republic of

Agreement correcting the agreement of December 30, 1971 (TIAS 7249), relating to trade in cotton textiles. Effected by exchange of notes at Washington October 4, 1972. Entered into force October 4, 1972.

Israel

Agreement for sales of agricultural commodities, relating to the agreement of August 4, 1967 (TIAS 6314). Signed at Washington October 13, 1972. Entered into force October 13, 1972.

Khmer Republic

Agreement amending the agreement for sales of agricultural commodities of January 13, 1972 (TIAS 7269). Effected by exchange of notes at Phnom Penh October 2, 1972. Entered into force October 2, 1972.

Uruguay

Agreement amending the agreement for sales of agricultural commodities of May 17, 1972. Effected by exchange of notes at Montevideo September 25, 1972. Entered into force September 25, 1972.

Viet-Nam

Agreement amending the agreement for sales of agricultural commodities of April 19, 1972 (TIAS 7322). Effected by exchange of notes at Saigon September 26, 1972. Entered into force September 26, 1972.

Agreement for sales of agricultural commodities, relating to the agreement of July 8, 1970 (TIAS 6983). Signed at Saigon October 2, 1972. Entered into force October 2, 1972.

DEPARTMENT AND FOREIGN SERVICE

Position of Deputy Assistant Secretary for Canadian Affairs Established

The Department of State announced on October 6 the establishment of the new position of Deputy Assistant Secretary for Canadian Affairs in its European Affairs Bureau. Rufus Z. Smith, Minister at the U.S. Embassy in Ottawa, has been named to assume this position. (For biographic data, see Department of State press release dated October 6.)

The establishment of this new position reflects the importance and multiplicity of U.S. relations with Canada. Each country is the other's largest trading partner, for example, and the number of cross-border visits made by Americans and Canadians each year now exceeds 70 million.

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**Check List of Department of State
Press Releases: October 9-15**

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Release issued prior to October 9 which appears in this issue of the BULLETIN is No. 245 of September 28.

No.	Date	Subject
254	10/9	Green: China trade symposium, University of Southern California Graduate School of Business Administration, Los Angeles.
†255	10/12	IJC air pollution report received by U.S. and Canadian Governments.
256	10/12	Porter: 163d plenary session on Viet-Nam at Paris.
*257	10/12	Preconference forum to be held Oct. 30 for conference on international container traffic.
*258	10/13	Aviation balance of payments.
*259	10/13	Meeting of Advisory Committee on International Book and Library Programs, Oct. 19-20.
*260	10/13	William B. Jones named chairman of U.S. delegation to UNESCO conference.

* Note printed.

† Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE BULLETIN

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The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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Secretary Rogers Interviewed on "Issues and Answers"

Following is the transcript of an interview with Secretary Rogers on the American Broadcasting Company's television and radio program "Issues and Answers" on October 15. Interviewing the Secretary were Ted Koppel, ABC News diplomatic correspondent, and Dave Schoumacher, ABC News correspondent.

Press release 265 dated October 19

Mr. Koppel: Mr. Secretary, welcome to "Issues and Answers."

Dr. Kissinger's [Henry A. Kissinger, Assistant to the President for National Security Affairs] unprecedented four days of talks, private talks in Paris with Le Duc Tho, have given rise to countless rumors and counterrumors. Now, you participated in a private breakfast briefing with Dr. Kissinger and the President the other morning. I wonder, without revealing any state secrets, could you put those talks into their proper perspective—or reveal some state secrets?

Secretary Rogers: I don't want to add to the rumors, because the negotiations are now in a very serious and very sensitive stage. I think it is important under these circumstances to follow the admonition that President Nixon made in his recent press conference to—not to say anything that might add to those rumors.

I think the American people are satisfied that we are doing everything we can to bring this war to an end through the negotiating process and there is a time when quiet diplomacy is essential to success, and we think that is the time now; we think it is time for quiet diplomacy to be taken into account, not

to say anything that might contribute to the rumors or counterrumors that are so prevalent.

Mr. Koppel: Well, is it accurate to say, as the North Vietnamese did, as Le Duc Tho did before he left for Hanoi again, that there are still serious problems remaining between the two sides?

Secretary Rogers: I think Mr. Ziegler [Ronald L. Ziegler, Press Secretary to President Nixon] made comments about that statement, and I don't care to add to those comments. Obviously there are differences, because otherwise we would have a settlement.

Mr. Schoumacher: Administration sources spoke this week and said that they thought these talks were somehow more substantive and less political. Is there a difference in the quality of the talks?

Secretary Rogers: As I said to Mr. Koppel, these talks are in a very serious stage now. We think it is a very sensitive period in the negotiations, and for that reason we don't want to make any comment about them.

Mr. Koppel: Some weeks ago, Mr. Secretary, you made the suggestion that some kind of cease-fire or an understanding or a negotiated settlement would come about either before the American presidential elections or shortly thereafter. Do you still hold to that view?

Secretary Rogers: Mr. Koppel, let me try to make it clear. We do not want to add to or subtract from anything that has been said.

We don't want to emphasize or deemphasize anything that has been said. We think now is the time for quiet diplomacy to take place, and we are responsible public officials that have a very serious duty to conduct the negotiations in a way that we think will be most productive and we think it is most productive at the present time not to make comments about them in any way. So, as much as I realize that you would like to have some comments and as much as I realize the American people would like to know everything that is going on, I think the American public is quite satisfied, and I admire you for trying to get some comments about them, but I don't intend to make any.

Mr. Schoumacher: We don't give up that easily.

Secretary Rogers: Go ahead and try.

Mr. Schoumacher: During the week of the negotiations that were going on in Paris, President Thieu was talking quite a bit and blasting the very idea of a coalition government. He said coalition is death. Would you agree with that?

Secretary Rogers: I don't have any comment to make on what President Thieu said in that regard. I think, of course, words of that kind have different meanings to different people, and I don't intend to get into a discussion about the meaning of those words.

Mr. Koppel: Mr. Secretary, you have referred to what you say is the satisfaction of the American people that the talks are moving in the right direction. Yet I think many Americans feel that they were misled back in 1968 when the President said that he had a secret plan to end the Viet-Nam war—not simply, I emphasize, the secret plan to reduce American ground combat participation in the war but to end the war. Is there anything you can tell us now that might at least allay some of those suspicions that perhaps this is being used as a political means, as a campaign tactic to give people the impression that peace is around the corner when it really isn't?

Secretary Rogers: Mr. Koppel, I think your premise is wrong. The American people in recent polls support the President's activity and the way he has handled this situation in a very substantial way—I think something like 58 to 22, or some such. I think the public thinks the President is doing everything he can do to end this war, and I think they are very pleased that he has been able to get Americans out of combat.

Obviously we wish the war had ended before now, but we are doing everything we can to end it.

Now secondly, he never used the words "secret plan." That is something that has been added to in the media. In fact Mr. [William L.] Safire from the White House staff wrote a letter the other day to the New York Times in which he outlined very carefully what the President had said, and he never said anything like that.

I think if you look at what the President said and compare it with what he has done, he did exactly what he said he would do. And I think the American people have full confidence in the President, in the way he is handling this very difficult situation that he inherited.

Mr. Koppel: Perhaps we are quibbling on words. If it is not a "secret plan," I spent three months campaigning with the President, and on several occasions he suggested that he had a plan to end the Viet-Nam war, that he didn't want to reveal the details of that plan because he said he didn't want to do anything to jeopardize the upcoming Paris peace talks.

Secretary Rogers: Yes.

Mr. Koppel: But certainly he gave no indication as to what that plan might be, and the implication of what he said was that he did have a plan to end the Viet-Nam war, not simply American ground combat participation.

Secretary Rogers: Well, we have done that. We have the Americans out of the combat role and the Vietnamization program has worked and he has carried out a plan. It is

an orderly plan, an orderly withdrawal of our troops, and now we are in the process of negotiations and we hope those negotiations will be successful.

Mr. Schoumacher: If we could go back for a moment to these talks and pick up one loose end, when would you expect another meeting between—

Secretary Rogers: Well, I am not sure. If we have another meeting, that will be announced in due time.

Mr. Schoumacher: Another thing that happened during the course of the week besides President Thieu's statement on coalition was the bombing of the French Legation in Hanoi. Have we determined now that we were in fact responsible for the bombing?

Secretary Rogers: No, there has been no final determination. I think there will be some statement by the Defense Department on this. You know the Secretary of Defense did make some comments about it. It is regrettable that it happened. We have expressed our regrets to those countries whose embassies were involved, but faulty bombings do occur upon occasion.

Mr. Schoumacher: Assuming our target was not the French Legation.

Secretary Rogers: You don't have to assume that.

Mr. Schoumacher: The whole area was a civilian residential area. Does that indicate that we are in fact bombing civilian—

Secretary Rogers: Oh, no. There was a military target not so far—

Mr. Schoumacher: About two miles away.

Secretary Rogers: If it is a faulty bombing, that is a very short distance in terms of jet flight.

Mr. Koppel: You think, then, that the Canadian reporter who said he witnessed several runs across this area was in error?

Secretary Rogers: Well, I haven't seen exactly what he said, but he is certainly in

error if he suggested there was a deliberate bombing of this target, yes.

Mr. Koppel: Mr. Secretary, the President has said, and you have reported again here today, that the negotiations are at a very sensitive point. With that in mind and from a diplomatic point of view, is it fruitful, then, for American planes to be bombing, as intensively as they are, North Viet-Nam and in particular those areas of Hanoi which leave open the possibility of accidents such as the one—

Secretary Rogers: Well, we would certainly hope there would be no further accidents. The President has said consistently that we would continue the bombing of military targets in the North. There is going to be no change of policy. We are going to do everything we can to avoid accidents and we are going to do everything we can to avoid or minimize any civilian damage, but we are going to continue to bomb military targets. There has been no letup by the enemy bombing in the cities with artillery, mortar fire.

Mr. Schoumacher: It was my understanding that a good deal of the increase in bombing was—and mining of the harbor—was due to the Easter offensive, which has now run its course. Wouldn't this be a time to let our bombing run its course?

Secretary Rogers: Well, still the military situation is, of course, a serious problem, and the Commander in Chief, the President, has to make these difficult decisions. He is going to make them consistent with what he thinks is in the best interests of our country. And so far his judgment has been excellent. I think that the American people realize his judgment has been excellent; and certainly in terms of nations around the world—I was very gratified to find out how much support that we have received around the world for the President's foreign policy.

Mr. Koppel: Mr. Secretary, you have been very forceful about your reluctance to discuss private negotiations. Perhaps for a moment we can examine the public record.

This administration has indicated on numerous occasions that it will not withdraw its support or hand over the Saigon government to the North Vietnamese. It has also indicated its opposition to a coalition government. Do we still at this time refuse to consider the Presidency of Nguyen Van Thieu as negotiable, and would we not accept any kind of coalition government with the NLF [National Liberation Front]?

Secretary Rogers: Mr. Koppel, I must say you are persistent. I am not going to comment on the latter part of your question, for reasons I have already stated.

On the first part of the question, we are going to make certain that there is not a Communist takeover of South Viet-Nam by force. That is what it is all about. And that is what the President has said constantly. As you know, there have been recent suggestions that we should just quit, get out of Viet-Nam completely, walk away from it. In fact, the suggestions have been that we should take all of our military equipment with us, which in effect would deny the people in South Viet-Nam the right to defend their own country.

Now, that type of policy is totally unacceptable, and it is really difficult for me to understand how it could be seriously proposed. That is not only throwing in the towel ourselves, throwing in the towel by the United States, but insisting that the South Vietnamese throw in the towel—that we throw in the towel for them, that we say to them “You can’t defend your country; we are not going to even let you have the military equipment that we have given to you to defend your country.”

So the answer to your question is: Yes, President Nixon is going to make certain that we do not have a Communist takeover of the South Vietnamese by force.

Mr. Schoumacher: Earlier you said coalitions mean different things to different people, and there is some room in the definition process, then, apparently.

Secretary Rogers: No, I didn’t say that. I just said that I didn’t want to get involved in a definition of coalition, and I don’t want to leave any suggestion at the moment about that one way or the other insofar as negotiations are concerned.

Mr. Koppel: I am intrigued, Mr. Secretary, by your apparent reluctance to repeat statements that have been made so consistently by the—

Secretary Rogers: Mr. Koppel, I don’t see why you don’t understand that. We are now in the process of very serious negotiating, and we have a duty—President Nixon, all of us in responsible positions, have a duty to conduct ourselves in a way that we think will serve the public interest. Any statements now that could be taken out of context might be harmful to those negotiations. Therefore we are not going to make any comments about it.

The American people are quite satisfied about that. They know we are doing everything we possibly can to successfully negotiate an end to this war, and they have confidence in President Nixon. All you have to do is look at the polls.

Now, I know that the press would like it, but you are going to find out about it. Just wait a little while.

Mr. Koppel: I would like to put it in general terms if I may, Mr. Secretary. Would it be accurate to say that any statements that have been made in the past just have to be suspended for the moment, that we are not going to be held to any categorical statements that have been made over the past six months, over the past year, that this is an entirely new ball game, the negotiations are in process, and things may change?

Secretary Rogers: No, I didn’t say that either. I said we are not going to at this time pick out any particular statement and emphasize it again or deemphasize it. There have been a good many statements made. All I am saying is that at this time we are not

going to talk about it because these negotiations are in a very sensitive stage.

Mr. Schoumacher: Mr. Secretary, if we could move onto another subject.

Secretary Rogers: Good. Well, I don't mind if you just want me to keep saying I am not going to answer.

Mr. Schoumacher: Mr. Secretary, Arab terrorism, which has always been something of an abstract concern to Americans, has come home in this past week with several mail bombs addressed to Hadassah women. One blew up, injuring a postal employee. What are you going to do about it?

Secretary Rogers: Well, it is not only Arab terrorism, but there is a good deal of terrorism in the world—some related to the Middle East and some related to other political problems. We have taken a number of political steps, as I am sure you are aware of, in the United Nations and other places to do what we can to outlaw this kind of conduct internationally, and we are making some progress.

Mr. Schoumacher: Well, we are in the same position, apparently, are we not, that Israel is—that, how far can you hold these other countries, these, say, Egypt, Syria, responsible for these acts? Are you trying to?

Secretary Rogers: Oh, sure. Well, we are trying to apply sanctions to countries that continue to give support to this kind of activity. For example, in the hijacking field, we are trying to get the international community to agree to sanctions which would in effect say that any nation that accepts hijackers without either extradition or prosecution would not have commercial aviation available to them. In other words, planes would not fly to that country, if that country accepted hijackers. Now, that is a very practical suggestion, and I think it has some possibilities of success.

Mr. Schoumacher: Broadening this subject just a bit, are we noticing any improvement

in our relations with Egypt as a result of the ouster of Russian advisers?

Secretary Rogers: Well, it is difficult to answer that question. I had two long meetings with the Foreign Minister of Egypt in New York in the last two weeks, and those discussions I thought were very useful. I think we have an understanding of each other's position, and I think that we have some hope that in the next few months we may be able to start the negotiating process.

Mr. Koppel: Mr. Secretary, I am afraid my British heritage makes it a little tough for me to give up on a subject altogether. Avoiding political polemics as much as possible, and this is slightly related to the Viet-Nam question, did you find anything of value in Senator McGovern's speech the other day on the Viet-Nam—his Viet-Nam peace plan?

Secretary Rogers: No, I didn't. I was really—parts of it were incredible. I couldn't believe it.

For example, he talked about a tiny band that—that we were fighting a tiny band of peasant guerrillas. Now, it is unbelievable that that could be said. I am sure no one who has fought in Viet-Nam thinks we are fighting a tiny band of peasant guerrillas. They have hundreds of related tanks; they have field artillery pieces with a range of 17 or 18 miles; they have the most sophisticated SAM missile [surface-to-air missile] sites probably in the world, and how he could say that it was a tiny band of peasant guerrillas beats me.

I couldn't understand why he said we should take all the military supplies we could salvage out of South Viet-Nam. We have been fighting alongside the South Vietnamese since 1965. We have told them that we would give them an opportunity to defend their country. They have had a lot more casualties than we have had. Now for us to say that we are not only going to get out ourselves but we are going to take all the equipment that we can take out with us "so that you have no chance to defend yourself," and acknowledge

the fact that there would be a Communist takeover at this stage, I don't understand it.

I hear people say it is surrender. It is not only an offer to surrender; it is a demand that the South Vietnamese surrender, too.

So, when you ask me did I find anything about it that was good, no. It is incredible. I can't believe that a man who is as sophisticated in foreign affairs could possibly say that.

All the nations in the area can't believe it, that he would say these things.

Mr. Koppel: For example, the Thai Government—Senator McGovern suggested once the prisoners come back he would remove American bases from Thailand. Have you gotten any communications from the Thai Government expressing concern over this?

Secretary Rogers: Oh, sure. He has also said he wasn't sure about that. Sometimes he referred to maybe he would insist on withdrawal and at other times he wasn't sure, so I am not sure about the prediction on that. But the Thai Government said he wouldn't have to worry about that; they would insist on our leaving.

Mr. Schoumacher: In your discussions with the various countries of the United Nations in the past week or so, do you find continued understanding for the American Vietnam involvement?

Secretary Rogers: Yes, I do. Three years ago we were under a good deal of criticism by many nations in the world. Now I find general support for the President's program, interestingly enough, even in other countries, that you wouldn't expect it to be true.

Mr. Koppel: Mr. Secretary, you are not only the senior member of the President's Cabinet, you are also a longstanding and close personal friend of the President, and I wonder if in that second capacity you try to put into perspective the charges of political corruption, espionage, and sabotage that have been leveled against several former and present White House aides and advisers. Do

you consider these charges to be a political frameup?

Secretary Rogers: I am not going to get into those charges. I am not involved in the political campaign.

But let me say frankly, because I am sure you are not going to ask this question, I think President Nixon has done more to reduce the tensions that exist in the world, to bring about a more peaceful world, than any President in my memory.

Now he is recognized throughout the world as a world leader for peace, and we mustn't forget the initiatives that he has taken which have reduced the tensions.

We have brought about a cease-fire in the Middle East. We have very good relations with the Soviet Union and with the People's Republic of China. I just completed meetings with 77 Foreign Ministers at the United Nations, separate meetings, and without exception the programs of the President are applauded. Nations that were formerly our adversaries—Czechoslovakia, Bulgaria, Hungary—recognize the President as a world leader.

And on these things that you asked, let the people in the campaign argue about that. I think it is important for the American people to understand what he has brought about and he is not interested just in what we have accomplished. The President is interested in what he can do in the next four years, how to build on that structure of peace.

Mr. Koppel: Well, I think it is precisely because the President himself has so frequently raised the issue of morality, that this—you know, that you can't just bisect the international and domestic issues. And it was because of your longstanding relationship with the President that I thought you could therefore give us an insight on that.

Secretary Rogers: Well, he is an idealist and he realizes that the most important ideal men can achieve is peace. And he has done so much in that field, and is so recognized throughout the world as a leader for peace,

that I think that's what we have to keep in mind.

Now, the other arguments—that is all right, that is natural politics. But just think of what happened when we took office. The campuses were in an uproar, ghettos were aflame. We had tremendous problems all over the world. There was a war of attrition in the Middle East. We had more than half a million men in combat in Viet-Nam. Now all these things have been either solved or almost solved. Our relations throughout the world are really surprisingly good.

I don't suppose there has been ever a time in the history of our country when we have had more discussions going on with countries all over the world in an attempt to improve the climate that exists in the world.

Mr. Schoumacher: Mr. Secretary, as you say, you are not in politics, but one of the domestic issues with international ramifications has been the grain deal with the Russians, which has provoked some outrage by wheat farmers, from wheat farmers. The President denied—I believe used the word—we had been “snookered” in our deal with the Russians, and yet we have just renegotiated the maritime agreement to get a little more money out of the deal. Isn't this a sign in fact we were taken by the Russians?

Secretary Rogers: Oh, not at all. We have been working on the maritime agreement for a long time, and it's essential if we're going to have trade with the Soviet Union—and I think it is very important to have trade with the Soviet Union—that we have to have some arrangements on maritime matters.

I think that the prospect for trade in the future with the Soviet Union and with other eastern European countries is exactly what we have been trying to do for a long time, to reduce the tensions, to make the world more interdependent, and to get along with our former adversaries, and the President has done a great job on that score.

Mr. Schoumacher: But this renegotiation happened fairly late in the game, didn't it?

Secretary Rogers: Oh, well, we have been negotiating this for a long time, as you know, and there were terms that we had to discuss at the last minute and we worked out the terms. I wouldn't claim it was a great victory for us any more than it is a great victory for them. I think it is to our mutual advantage that we work this out.

Mr. Schoumacher: You mentioned that you had had discussions with 77 nations at the United Nations. And I noticed in the paper the other day that about the only country at the United Nations that we don't do business with is Cuba. We don't invite them to our diplomatic receptions. They are the only country, I guess, that we don't. Do you think in the next four years we might start having Cuba to our parties?

Secretary Rogers: Well, it depends on their attitude. I mean if their attitude is 100-percent anti-American and if they attempt to commit subversive acts in Latin America and if they make personal attacks on President Nixon, we don't want them at our party.

Mr. Koppel: Of course that doesn't sound too different from what some other Communist nations have done, making personal attacks on the President, encouraging subversion. Why do we select out—

Secretary Rogers: Well, because in other cases we have had some indication that they want to improve their relations with us. Why should the United States go to Cuba with our hat in our hand? If they want to improve their relations with us they can make it clear that they do. We have had no difficulty getting along with other Communist nations. Their attitude is what causes the trouble.

Mr. Koppel: Let me ask you a question that is a little closer to home. The State Department has been criticized both internally and externally as having sagging morale, and one of the reasons that has been given, and indeed a question I was asked to ask you by the family of a Foreign Service officer, was why the grievance procedure at the State

Department can't be brought more in line with what has been recommended by the U.S. Senate, a more liberalized—

Secretary Rogers: We have the best grievance procedure for employees in the government, and as you know, there was an attempt to pass some legislation this session, which was unsuccessful.

We are perfectly prepared to improve our grievance procedures. We have done it in the past year. On the question of sagging morale, though, Mr. Koppel, this is something that has been said as long as the State Department has existed. In fact, I talked to one of my senior assistants the other day who told me that the first article that he wrote when he came to the State Department was that the morale in the State Department had never been lower. Now, that was back in 1940 or something like that.

I think the morale of the State Department is good. I don't think there is a foreign service anywhere in the world that has higher caliber, more capable people than the Foreign Service of the United States. They have contributed very substantially to the success of the foreign policy of President Nixon's administration, and I think our morale is good.

Mr. Schoumacher: We have read a good deal of speculation recently about the next Secretary of State, Dr. Kissinger or John Connally or Elliot Richardson, and I missed along the way your announcement of resignation. Did you make that and no one noticed?

Secretary Rogers: No, I haven't. I haven't made any announcement of resignation. I was wondering how about you two fellows, how long are you going to stay on this network? I have heard some comments about the two of you, but I don't believe it.

Mr. Schoumacher: Those are true. Now, what about yours? No, is there any thought in your mind—

Secretary Rogers: I just said, I haven't given any thought to it. I will tell you this. I don't think those of us in President Nixon's administration take the electorate for granted. We want to be sure that President Nixon is reelected; and although things look very good, we are not going to assume that he is elected until the people have spoken.

Mr. Schoumacher: Ted mentioned the morale—in the minute or so we have left—I thought he was going to go also to the question of whether the negotiations by Dr. Kissinger don't have an unfavorable impact on morale there.

Secretary Rogers: I will tell you, the important thing for the American people is the success of our foreign policy, and they really don't care about all this stuff that happens in Washington, about whether the shortstop is better than the second baseman. What they are interested in is how are we doing in foreign policy, and I think that this administration has been very successful, and all the polls indicate that the American people support the foreign policy of this administration, and I am proud to have played a part in it, and I think everybody in the State Department is proud to have played a part in it, and I think Dr. Kissinger's efforts are going to be very—well, they have been very constructive and very useful to the President, and I think the American people support the foreign policy of this administration, and we don't have any problems.

Mr. Schoumacher: And you are not in politics? Thank you very much, Secretary of State Rogers, for being with us today on "Issues and Answers."

National Security in Transition—The Executive and the Congress

Address by David M. Abshire

*Assistant Secretary for Congressional Relations*¹

For me it is a particular honor to speak today to so important a gathering of those professionally responsible for the security of our Nation and the vitality of our Armed Forces. We are meeting at a moment when all of us with sentimental and intellectual ties to the Army need to look very hard at our security problem. We need to see this problem in the round, to understand the way the problem looks from different vantage points. My vantage point is that of an executive branch member who has been working very closely with the Congress in the field of foreign affairs and national security.

Today an increasingly insistent theme in the Congress, as well as the executive, is the necessity of making better use of our national security resources. The cost of defense is on a collision course with the mounting claims upon the budget for social expenditures. And both threaten the essential of national security—a sound economy. For this reason it is crucial to rethink how we can use to maximum advantage the resources available to us for national security programs.

I do not think that those most concerned with and dedicated to our security should resist or resent the problem this poses. It is merely the practical and contemporary application of the principle of strategy so

closely followed by Frederick the Great and later defined by classical military writers as the “economy of force.” Recognizing that his military assets were finite and that not every inch of terrain could be equally protected, Frederick insisted that his resources be concentrated upon the central objectives and not the farflung periphery. Napoleon identified the same essential point when he said the generals he defeated had their eyes on too many things at once. Marshal Foch, while still a colonel, wrote forcibly of it in his monumental work on the “Principles of War,” describing the principle as “the art of knowing how to expend, to expend usefully and profitably, to make the best possible use of all available resources.”

This keystone in the classical art of strategy has new relevance in the age of the Nixon doctrine. The great need is to bring to bear upon the truly decisive tasks the full measure of our resources. That in turn demands a careful identification of priorities, comparative advantages, and burden sharing.

In the great realignment of forces and resources laid out in the Nixon doctrine, the role of the Army is classical. Napoleon always looked upon Ulm as one of his most brilliant campaigns; he achieved his objective but never had to fight a battle. The role of our Army in Europe is one similar to the concept of a fleet-in-being in Mahan’s writing: It wields influence without firing

¹ Made before the annual conference of the Association of the United States Army at Washington on Oct. 10.

a shot. Let us be quite clear, however; deterrence is only achieved when backed by a strong fighting capability. If the Army cannot fight and win, it cannot deter.

Today's policy is pitched on the twin pillars of détente and deterrence. The Armed Forces are of necessity the guardians of "realistic deterrence," as Secretary [of Defense Melvin R.] Laird has said so well. And in the same sense, it is the responsibility of the Department of State to bear the burden of "realistic détente."

It is for that reason that I am particularly glad to be able to talk with you today. For it is essential that we share our views on the realities we face so that we can effectively develop our policy resources in a common context. Deterrence and détente must combine to undergird our overall national security. Neither by itself is adequate to the task. Neither, standing alone, is likely to be acceptable to the American people for very long.

Thus I do not believe that we can or should consider the defense of the United States as an exclusively military responsibility. To the contrary, the defense of the United States and of its interests is the primary purpose of foreign policy. Military capability is part of the projection of our national influence abroad. We are simply not realizing the full benefit of our strength unless we coordinate it with such other sources of influence as foreign assistance, trade policy, monetary policy, arms control, intelligence operations, foreign information programs, cultural relations, and humanitarian cooperation.

I suggest to you that we have come to a point where those in industry and in the armed services have a special responsibility to look at the broader economic and political problems with the same degree of professionalism and sophistication that they have applied for so many years to the military services. And those who have been preoccupied with fostering and cultivating abroad the Nation's economic interests and political influence have a similar responsibility to search for the most effective way that our

total foreign policy assets, including military strength, can be brought to bear during a period of contracting resources.

Nowhere is the competition for our national resources more graphic than in the Congress.

The New Climate

All of us are aware, I am sure, that there is a new climate in the Congress.

In both Houses of Congress, among liberals and conservatives alike, there is energetic opposition to any sign of overcommitment in our foreign policy. The mainstream of congressional sentiment is deeply influenced by the combined effect of popular resentment against levels of taxation, domestic inflation, the financial crisis of our cities, the impact of foreign competition, and the resultant deficits in our budget and in the balance of payments. Caught in this vise, the executive and the Congress are more than ever concerned about the cost of our defense and more than ever determined to get the most out of each defense dollar.

The growing scrutiny by the Congress of military spending and foreign assistance is seen in the continuing debate on national security. You will recall, I am sure, the protracted debate in the Senate on whether to construct the Safeguard ABM [anti-ballistic missile] system while the SALT [Strategic Arms Limitation Talks] negotiations were in progress and the more recent debate on funding for Trident. Other congressional attempts to reduce the size of the defense budget were less spectacular, but they have been persistent and they reflect a general desire in the Congress to keep a tight rein on military spending.

The critics of the size of our armed services and of their cost have varying concerns. Some believe that the size and the quality of our forces, particularly of our strategic forces, stimulates the Soviet Union to comparable efforts that magnify the threat to our own security. Others suspect there is a decline in the threat posed by the Soviet Union and its allies.

Finally, there are those who believe that the United States cannot afford its present posture. They argue that we are over-extended in our commitments around the world. They assert that inflation, budget deficits, domestic demands, and our persistent balance of payments troubles constitute a more serious threat to our security than existing or potential weaknesses in military weapons or manpower.

Be that as it may, it is a fact that inflation and rising weapons costs threaten to price us out of a sound national security. I find that members of the Armed Services Committees are especially concerned over this latter phenomenon.

The Congress as a whole has clearly a strong desire to hold down our defense spending and to reduce the American presence abroad.

Yet, given its passion for economy, it is the same Congress that gave overwhelming support during the debate on the SALT interim agreement to the maintenance of American equality with the Soviet Union. The Congress recognized that the success of the interim agreement and the attainment of more permanent and comprehensive agreements "are dependent upon the maintenance under present world conditions of a vigorous research and development and modernization program as required by a prudent strategic posture." Further, in the crucial congressional tests of our foreign policy, the Congress has repeatedly supported the maintenance of a defense posture adequate to our worldwide responsibilities. Both Houses of Congress have, moreover, repeatedly—and as recently as September 26—turned back efforts to legislate an end to the war in Viet-Nam on conditions other than those sought by the President. Those votes have been major tests of the temper of the Congress on a fundamental foreign policy issue over a period of several years. And their lesson to us should be that despite the widespread congressional support for withdrawal from Viet-Nam, the majority of the Congress supports giving the President freedom of action in achieving that objective.

Similarly, the Senate has refused on two occasions within a year and a half to cut the level of our NATO forces in western Europe in the face of the most persistent and the most energetic efforts of those advocating their reduction.

It is perfectly clear that the Congress is not ready to abandon either our foreign interests or our foreign responsibilities. And despite a strong desire for a far greater role of the Congress in the foreign policy process, the Congress has shown itself unwilling to pass legislation that would seriously undercut the President's negotiating ability.

Yet there is a theme that is common to most of our congressional critics and supporters as well; that is, that there needs to be ever-increased attention to better utilization of resources—a constant attack on waste and duplication, a search for a higher ratio of combat to support forces, more effective security assistance, and a commitment of resources only to objectives of unquestionable national interest.

Plainly these views are not unique to the Congress. The President has taken the lead in defining the need for establishing new priorities and in balancing our foreign commitments with our means, which leads me back to my initial theme. The Nixon doctrine is, in fact, the key to making the necessary readjustments in many parts of the world. But precisely how this transition takes place depends not only upon the President but upon the support he receives from the Congress and from all of us concerned with our foreign affairs.

The External World: The New Balance of Power

As the President's foreign policy reports note, the postwar period of international relations has ended. There has been a breakdown in the unity of the Communist bloc, a shift of resources to other purposes than just a challenge to the United States and its friends, and a higher priority in most Communist countries to pursue national interests rather than world revolution. This new era has also seen the recovery of

economic strength by western Europe and Japan.

Hence there is an opportunity for a new balance of power. President Wilson in 1918 called the balance of power of the past century "a thing in which the balance was determined by the sword which was thrown in on one side or the other . . . the unstable equilibrium of competitive interests . . . maintained by jealous watchfulness and an antagonism of interests." It is exactly this disequilibrium that is to be avoided in the new balance of power.

At a congressional briefing on June 15 at the White House, Henry Kissinger said: ²

. . . to the extent that balance of power means constant jockeying for marginal advantages over an opponent, it no longer applies. The reason is that the determination of national power has changed fundamentally in the nuclear age. Throughout history, the primary concern of most national leaders has been to accumulate geopolitical and military power. It would have seemed inconceivable even a generation ago that such power once gained could not be translated directly into advantage over one's opponent. But now both we and the Soviet Union have begun to find that each increment of power does not necessarily represent an increment of usable political strength.

These political and strategic events abroad must not be isolated from concomitant changes that are taking place in the global American economic position. We have evolved from the world's major creditor and owner of most of the world's gold and hard currency to a debtor nation running a significant deficit in its balance of payments. Conversely, our western European trading partners and Japan have steadily improved their economic standing and, after many years of deficit, have become creditor nations with surpluses in their balance of payments.

The deterioration of the Nation's international economic position has been met by the Nixon administration forcefully and in a way that is consonant with the overall security requirements of the Nation.

To mention but two examples, Secretary

[of the Treasury] George Shultz has just proposed a major revision in the International Monetary Fund, with additional ways to strengthen the dollar.

And in the increasing stability of the great-power balance, the recently opened trade links between Americans and Russians hold forth the possibility of a profound shift in the practical meaning of U.S.-Soviet relations. These changes promise to open enormous economic opportunities for the American merchant and farmer, which in turn will contribute to an expansion of the economic base to which our security structure is affixed.

In view of the fact that I am addressing so many professionals in the military field, let me again place my point in a classical military framework. Those truly great captains of history—since the days of Alexander the Great—were the ones who were more than military strategists but who knew that an effective grand strategy spans political, economic, and social fields as well. It is thus important for my colleagues in the diplomatic fields and in the military fields to comprehend the totality of the effort involved and the innovative and creative demands now being placed upon us.

Arms Control

One of these is arms control. Those of us with professional military experience should take a fresh and a constructive look at the role that it might play in advancing our total national interests. I know that those of us who are closely concerned with the armed services and with military matters have often been skeptical about, and even hostile to, various schemes to control arms competition. Certainly our historical experience with such efforts has not been very encouraging.

In the past the principal danger flowing from arms control successes has been the unjustified euphoria that they have created. Moreover, agreements in the past depended in a large degree upon faith in the observ-

² BULLETIN of July 10, 1972, p. 40.

ance of the agreement by the parties. Today the President has taken the lead in cautioning that détente is only possible if we remain strong and confident of our power. Moreover, the technological breakthrough that has provided unilateral national means of verification has largely removed the old need to rely upon the pledge of an adversary.

Therefore, if you will accept the responsibility of thinking in terms of our total national interest and of our total foreign policy, you will want to give some very careful thought and some very searching consideration to new ways in which arms control could be of benefit to the United States.

The success of the first stage of the SALT negotiations certainly suggests that there is a reasonable chance to forestall further weapons development competition. The fact that the United States and the Soviet Union have succeeded in finding a formula that will obviate the need to build extensive and extraordinarily costly ABM defenses and will break the momentum of the Soviet offensive weapons buildup is clearly a step in the direction of a more productive use of our total foreign policy resources.

It is entirely appropriate, therefore, to proceed promptly to search for longer term agreements to prevent, or to at least significantly delay, the construction of offensive missile systems by the Soviet Union. This is no easy task, as Dr. Kissinger said last month upon returning from Moscow.³ He cautioned that the conceptual problem for the next round of SALT is much greater than for the first phase. He foresaw that the major difficulty will arise in determining how differing weapons systems serving differing purposes can be measured in attempting to arrive at equality. Despite this very real problem, the benefits to the United States are so important that successful resolution of this dilemma is worth our utmost ingenuity.

³ For the transcript of a news conference held by Dr. Kissinger at the White House on Sept. 16, see BULLETIN of Oct. 9, 1972, p. 389.

It is entirely logical that we should also study the benefits to the United States of agreed restraints upon conventional armaments—whether those are restraints on numbers of men, numbers and quality of weapons, or upon their location. There would be evident benefits to the United States, for example, from a significant mutual and balanced reduction of forces in Europe. Similarly, there would be benefits to the United States from agreements with the Soviet Union that would limit naval competition.

In very simple terms, we recognize that it is poor strategy indeed to simply try to outbuild, outgun, and outman our major potential adversaries in every area of competition. There is a special urgency to finding effective ways to reduce the threat that they may pose.

And again I return to the sound and fundamental doctrine of the "economy of force." Throughout this discussion I have carefully drawn a distinction between arms control and disarmament. They are not the same. Arms control is a disciplining of force, is the economizing of force or, if you will, the fitting of force to the realities of the final quarter of this century. Those who fail to understand this only blur the understanding of world politics.

The Developing Nations

Our problems with the developing nations are of an entirely different nature. President Nixon has defined our policy with respect to these areas eloquently and precisely. He has strongly emphasized that the United States will continue to honor its treaty commitments to its allies. The Nixon doctrine makes clear that the United States will provide protection against nuclear blackmail and provide material assistance to those resisting external aggression. But the United States will look to our allies to take the primary responsibility for their own security.

The execution of that policy will require greater imagination and, I think, greater

flexibility than we have shown in the past. We must look upon the security of the developing nations not only in terms of their armed forces but also in terms of the internal strength of their societies and of the willingness of their people to maintain their own independence. And that is related to the possibilities that they can offer to their citizens of achieving reasonable standards of living and social justice. We shall need to consider very carefully the most effective mix of economic development and military assistance and in both areas insure that we are not distorting balanced development nor building dependence upon us.

We should not encourage allies with a limited economic base to build armed forces that are dependent upon a highly sophisticated economy, a highly educated population, and a highly developed infrastructure of communications. We have a responsibility to assure that the arms we provide and the counsel we give in military matters are scaled to the level of local development.

Another important move in our efforts to seek better utilization of resources is our continuing pressure to shift recipient nations from grant military assistance to credit sales. Such a shift requires the recipient to establish his own order of budget priorities.

The history of the foreign military sales (FMS) credit program demonstrates a consistent movement to financial self-sufficiency. In 1970 Iran completed the transition from military assistance to credit sales. The Republic of China might be viewed as being in midtransition, its FMS credits during the four-year period of 1969 to 1972 having moved steadily from \$20 million to \$46 million; during the same period, military assistance grants were reduced progressively from \$35 million in 1969 to \$11 million in 1972. Korea is just beginning the transition, receiving \$15 million in foreign military sales credits in 1971 and \$17 million in 1972.

Given the demonstrated success of the foreign military sales credit program in facilitating the transition from grant assistance to self-help and given the interest of the

United States in such progress toward free-world security being achieved without placing any additional burden on the U.S. taxpayer, it is imperative that this most effective instrument of assistance to our economically developing friends and allies be continued.

Relations With Our NATO Allies

Finally, at the other end of the scale, we must certainly do some hard thinking about our relations with our highly developed and powerful western European allies.

We are now encouraging our allies to assume a larger share of the common defense burden. Ten NATO countries have launched a special European Defense Improvement Program, pledging over a five-year period an additional \$1 billion investment in improved national forces and NATO facilities. In December 1971, we concluded an agreement with the Federal Republic of Germany which offsets all but \$900 million of the balance of payments costs of maintaining U.S. forces in Germany. This agreement includes the provision of German funds for use in direct support of American activities.

Despite this progress, there is a group in the Congress which wants to reduce the size of our forces in Europe. Most Members feel that our European allies should assume a greater share of the burden. Those Members from areas affected by the keen competition of foreign agriculture or industry are convinced that the ratio of European defense costs to total GNP should be closer to ours.

Nevertheless, almost all in the Congress recognize that the NATO alliance has been a historic success. It has provided the security that has been the keystone to two decades of unprecedented prosperity in both Europe and the United States. Behind the NATO shield, we have come closer on both sides of the Atlantic to the ideals of economic and social justice.

In short, NATO has been a precious national asset of almost incalculable value. It is for that reason that the President plans soon

to resume the most intense consultation with our NATO allies on how to put our relationship on a new basis which safeguards for the future the boundless benefits we have already realized in the past.

Reality of Undiminished Need for Security

I hope that I have defined the challenge that we all face to improve the use of our foreign affairs resources.

The cost of weapons systems, of personnel, is rising. The demands for spending on other national needs are increasing. Yet our need for security remains undiminished.

It is this reality that poses the challenge to American industry and to the military and civilian professionals in the foreign affairs community. It is up to us to find the way to extract the maximum benefit from our limited resources. The Nixon doctrine and the concept of a new balance of power have given us an overall grand design. But you and I must search for ways to specific implementation. It will mean a break, perhaps a painful break, from what may be an old American tradition. The British writer D. W. Brogan, in his book "The American Character," has described the American way of strategy as that of exhausting its opponents by overwhelming them with its limitless resources. We know that has not always been the case, and it cannot now be our approach to national security. But we have indeed had years with the luxury of abundant military resources.

Now the time has come to revert to a more rigorous American tradition of lean, tough, imaginative self-reliance. The time is upon us to take a hard look at our essential interests, a hard look at all the factors that constitute our power in foreign affairs, and to use every asset for the objectives that really count.

That is the challenge to which we are set by our Congress, our President, and our people. With the Nixon doctrine, the new balance of power, and the new approaches to the People's Republic of China and the So-

viet Union, we have entered into a period that I believe will be termed by historians as unrivaled in this century. The new era offers a keen challenge to those of us in both the diplomatic and military fields, to our creative and innovative abilities.

The spectacular Presidential policy moves have been reinforced by a number of innovations by the Secretary of State.

Secretary Rogers has established a very wide-reaching program for comparing our policy aims in various countries with the resources we have available. Meetings chaired by the Deputy Secretary involve the participation of high-level representatives from other concerned agencies. The purpose is to insure that our goals are precisely understood, that U.S. Government resources are properly allocated to accomplish them, and that both are consistent with broad policy.

A new Under Secretary of State for the coordination of security assistance has been created, to put our security assistance programs at the heart of the Nixon doctrine. His job, in close liaison with the Department of Defense, is to maximize the contribution to American security of our military assistance program.

The U.S. Army, too, is fortunate in its superb leadership—beginning with Secretary Laird, who has offered the framework of realistic deterrence and the Nixon doctrine. He is supported by the Army's able Secretary, Robert Froehlke, and my good friend, Ken BeLieu [Under Secretary of the Army], a truly inspiring leader.

I congratulate the Army for its new Chief of Staff, General [Creighton W.] Abrams, who did so much to implement Vietnamization. Finally, I know from intimate experience that your new Vice Chief, Gen. Al Haig, is a brilliant individual with an admirable grasp of and a unique experience with the interrelationship of political and military factors. With such leadership, the Army and its community of friends represented in this association will meet the new challenges which can lead to the generation of peace which our President seeks.

President Pledges Continued Efforts on Behalf of POW's and MIA's

Following are remarks made by President Nixon on October 16 before the National League of Families of American Prisoners and Missing in Southeast Asia.

Weekly Compilation of Presidential Documents dated October 23

I learned that Dr. Kissinger [Henry A. Kissinger, Assistant to the President for National Security Affairs] was scheduled to be your speaker this morning, and I found that I had some time in my schedule and I decided to substitute for two very important reasons: One, of all the many groups I speak to, and that I have spoken to, big or small, across America, there isn't one that inspires me more than you do. Two, I am here to thank you for your support and to urge you for your continued support.

I am not speaking of an election campaign, but I am speaking of support for a cause bigger than an election: a cause of an honorable peace, one that will contribute to peace in the world. And an honorable peace in this terribly difficult war in Viet-Nam will contribute to that kind of a peace that we all seek.

Since we last met—it is hard to realize it was a year ago—some very intensive negotiations have been underway. I shall not and cannot comment on those negotiations. One, I would not want to raise false hopes; and two, any comment when negotiations are taking place could jeopardize their success, and I know that none of you would want any chance for successful negotiations to be jeopardized.

However, I do want to tell this group some conditions that I have laid down that we will insist upon in those negotiations in seeking an honorable peace in Viet-Nam.

First, we shall not agree to any settlement which imposes a Communist government upon the people of South Viet-Nam.

And second, we shall under no circumstances abandon our POW's and our MIA's, wherever they are.

When I use the word "abandon," I speak quite deliberately. That means that we cannot leave their fate to the good will of the enemy. We must have some strength in ourselves. And in addition to that, we shall not betray our allies; we shall not stain the honor of the United States.

These are the conditions that we have laid down. They are reasonable conditions because we seek an honorable and reasonable peace, and we shall continue to negotiate to achieve those objectives.

Now, one other point I wish to make with regard to this terribly long war which has been a subject for discussion over recent weeks and months, and that is the attitude that I have taken with regard to amnesty for those who were draft dodgers or deserters.

My position is clear. It is criticized by some as being lacking in compassion. Let me tell you why I have taken the position that I have.

Two and a half million young Americans, when faced with the necessity of serving their country in Viet-Nam, in war which no one really wants—no one wants to go to war, wants to risk his life if he doesn't have to—but two and a half million young Americans, when faced with that responsibility to choose, chose to serve their country. Thousands of them died for their choice. Hundreds of them, your loved ones, are missing in action or are POW's.

And I say that when thousands of Americans died for their choice and hundreds are now POW's or missing in action for their choice, it would be the most immoral thing I could think of to give amnesty to draft dodgers and those who deserted the United States.

Your loved ones have and are paying a price for their choice, and those who deserted America will pay a price for their choice.

And now I am here also to thank you. The hardest decision I have made since becoming President of the United States was made on May 8 of this year. You will recall

the circumstances. A Moscow summit was upcoming after having finished the Chinese summit. There were great hopes for an arms control agreement and other agreements that would perhaps reduce the danger of war in the world.

At that time a massive Communist invasion took place of South Viet-Nam from North Viet-Nam. We were faced with the specter of defeat. And I had to make a choice, a choice of accepting that defeat and going to Moscow hat in hand or of acting to prevent it. I acted.

As you recall, I made the decision to mine the harbors, to bomb military targets in North Viet-Nam. That decision was the right decision militarily. It has been effective. And those who predicted that it would lead to the dissolution of the summit and its failure proved to be wrong.

But let me tell you what happened immediately after that decision. It is often said that when a President makes a hard decision, the so-called opinion leaders of this country can be counted upon to stand beside him, regardless of party.

Who are the opinion leaders? Well, they are supposed to be the leaders of the media, the great editors and publishers and television commentators and the rest. They are supposed to be the presidents of our universities and the professors and the rest, those who have the educational background to understand the importance of great decisions and the necessity to stand by the President of the United States when he makes a terribly difficult and potentially unpopular decision. They are supposed to be some of our top businessmen who also have this kind of background.

Let me tell you that when that decision was made, there was precious little support from any of the so-called opinion leaders of this country that I have just described.

But what was the most heartwarming thing to me was that those who had so much at stake, those who had suffered so much, the great majority of those whose husbands and loved ones are POW's or MIA's, stood

by that decision, and I thank you very much for that support.

As I am sure you know, I would not have made that decision unless I thought it would contribute to our goal of achieving an honorable peace in Viet-Nam. I would not have made it unless I thought it would contribute to the goal that I have dedicated myself to, that I have spoken to many of you about, including to this group last year, of securing the release of our POW's and the return of our MIA's.

I know that it has been a long, long vigil for you. I know how much you have suffered. And I know how much your children have suffered and others who are not represented here. And I know that it is difficult at such a time as this to put your trust in any person.

But at this point let me just say in conclusion, you have never been away from my thoughts and you have never been away from my prayers, and there is nothing that I want more than to bring your loved ones home, and I will never let you down.

Thank you.

U.S. To Provide Launch Assistance for Peaceful Satellite Projects

Following are a White House announcement and fact sheet issued October 9.

WHITE HOUSE ANNOUNCEMENT

White House press release dated October 9

President Nixon on October 9 announced a policy whereby the United States will provide launch assistance to other countries and international organizations for satellite projects which are for peaceful purposes and are consistent with obligations under relevant international arrangements. Launches will be provided on a nondiscriminatory, reimbursable basis.

The President's decision extends to other countries the assurances given to the mem-

ber states of the European Space Conference in September 1971.¹ These assurances recognize the legitimate interests of European countries in being able to place satellites into space under nondiscriminatory conditions. This action was in keeping with the President's recognition of the desirability of mutually beneficial cooperation in space and the importance of such cooperation as a new dimension in the further development of the Atlantic partnership.

Addressing the United Nations General Assembly nearly three years ago, the President noted particularly that "Of all of man's great enterprises, none lends itself more logically or more compellingly to international cooperation than the venture into space."²

In establishing a global launch assurance policy, the President affirms the need for a dependable capability which would make it possible for nations to have access under equal conditions to the advantages which accrue through space applications. This global launch assurance policy further manifests U.S. faith that, in the language of the 1967 Outer Space Treaty, "The exploration and use of outer space . . . shall be carried out for the benefit and in the interests of all countries . . . and shall be the province of all mankind."

WHITE HOUSE FACT SHEET

White House press release dated October 9

U.S. POLICY GOVERNING THE PROVISION OF LAUNCH ASSISTANCE

I. United States launch assistance will be available to interested countries and international organizations for those satellite projects which are for peaceful purposes and are consistent with obligations under relevant international agreements and arrangements, subject only to the following:

A. With respect to satellites intended to provide

¹ For background, see BULLETIN of Nov. 29, 1971, p. 624.

² BULLETIN of Oct. 6, 1969, p. 297.

international public telecommunications services:

1. The United States will provide appropriate launch assistance for those satellite systems on which Intelsat [International Telecommunications Satellite Organization] makes a favorable recommendation in accordance with article XIV of its definitive arrangements.

2. If launch assistance is requested in the absence of a favorable recommendation by Intelsat, the United States will provide launch assistance for those systems which the United States had supported within Intelsat so long as the country or international entity requesting the assistance considers in good faith that it has met its relevant obligations under article XIV of the definitive arrangements.

3. In those cases where requests for launch assistance are maintained in the absence of a favorable Intelsat recommendation and the United States had not supported the proposed system, the United States will reach a decision on such a request after taking into account the degree to which the proposed system would be modified in the light of the factors which were the basis for the lack of support within Intelsat.

B. With respect to future operational satellite applications which do not have broad international acceptance, the United States will favorably consider requests for launch assistance when broad international acceptance has been obtained.

II. Such launch assistance will be available, consistent with U.S. laws, either from U.S. launch sites (through the acquisition of U.S. launch services on a cooperative or reimbursable basis) or from foreign launch sites (by purchase of an appropriate U.S. launch vehicle). In the case of launchings from foreign sites the United States will require assurance that the launch vehicles will not be made available to third parties without prior agreement of the United States.

III. With respect to the financial conditions for reimbursable launch services from U.S. launch sites, foreign users will be charged on the same basis as comparable non-U.S. Government domestic users.

IV. With respect to the priority and scheduling for launching foreign payloads at U.S. launch sites, such launchings will be dealt with on the same basis as U.S. launchings. Each launching will be treated in terms of its own requirements and as an individual case. When it becomes known when a payload will become available and what its launch window requirements will be, the launching will be scheduled for that time. Should a conflict arise, the United States will consult with all interested parties in order to arrive at an equitable solution.

Opportunities for Trade and Investment in the Developing Countries of Africa

A Conference on Opportunities for Trade and Investment in the Developing Countries of Africa was held at the Department October 3-4. Following are background information on the conference and an address made by Under Secretary of Commerce James T. Lynn at the opening session of the conference on October 3.

BACKGROUND INFORMATION

Secretary Rogers and Secretary of Commerce Peter G. Peterson announced on September 27 (press release 242) a two-day conference on "Opportunities for Trade and Investment in the Developing Countries of Africa" October 3-4 at the Department of State.

The conference, sponsored by Secretary Rogers and Secretary Peterson together with other government agencies, brought together more than 200 specially invited senior executives of U.S. agricultural, manufacturing, banking, and commercial enterprises and top-ranking representatives of developing African countries.

In the course of the two-day conference, the African and U.S. business and government leaders explored opportunities for expanding U.S.-African commercial relations and practical ways of overcoming problems that impede these relations.

The African countries were represented by Cabinet-level officials, their Ambassadors and other representatives in Washington, officials of African regional organizations, and African businessmen. The U.S. participants included both business leaders and officials of government agencies concerned

with promoting and financing U.S. exports and investments in developing Africa.

A highlight of the conference was a dinner hosted by Deputy Secretary Irwin October 3, with an address by Robert K. A. Gardiner, Executive Secretary of the United Nations Economic Commission for Africa.

"The conference is expected to result in frank exchanges of views on the interests and resources of American business and on specific African development plans and related investment opportunities," Secretary Rogers and Secretary Peterson said. "This will be a working conference focusing on the practical aspects of doing business in Africa. Africans and Americans will have the opportunity to meet on common ground under conditions suitable for laying the groundwork for future specific trade and investment contracts."

The conference is among the first of several recent steps the State and Commerce Departments are undertaking jointly to improve and expand the quality and quantity of government services to U.S. exporters and investors.

"It also reflects the Nixon administration's conviction that expanded private trade and investment are indispensable components for achieving consistent economic growth in developing independent Africa," Secretary Rogers and Secretary Peterson said.

UNDER SECRETARY OF COMMERCE LYNN

I am delighted to be here this morning to help kick off this conference. Let me first convey Secretary Peterson's regrets for not being able to be with you today. He wanted

me to thank you all for participating in what we believe is a very important event.

The agenda identifies my talk as a keynote. In reviewing the program, I have tried to put my finger on the integrating theme for this conference. Put another way: What do we hope to accomplish?

In a nutshell, I would hope that we are able to make progress toward furthering Africa's economic development through business transactions that make sense for both the developing African countries and our businessmen.

We have gathered here key officials of African governments, representatives of important domestic and international organizations, U.S. Government officials, and decisionmakers from the American business community.

These discussions must be frank and open. As in any discussions among friends, problems must not be ignored, nor should they be allowed to preclude exploration of positive opportunities.

This conference presents an opportunity for American businessmen and government officials to learn firsthand about the needs and aspirations of the African nations. Most of these nations have taken on their present political identities only during the past dozen years. Others can trace their nationhood to much earlier beginnings, especially Ethiopia. All these nations are currently exploring options for building economic identities that will assure maximum and effective development of their human and natural resources. They have devoted considerable time and effort to economic planning. Even where no formal development plan has been formulated, this emphasis comes through loud and strong in other ways.

Economic infrastructure receives a great deal of emphasis in development planning—especially transportation, telecommunications, and electric power production. For example, Nigeria's 1970-74 development plan envisions nearly \$700 million for transportation, by far the largest component of the \$4.5 billion total. Transportation also ranks

high in the Ivory Coast development plan (22 percent), and some 10 percent of Morocco's 1973-77 \$3.1 billion development plan expenditures are in that sector.

Agriculture, including processing of agricultural output, is also stressed, as is expansion of manufacturing facilities. In the social sector, education and public health have very exciting prospects.

On the commercial policy side, diversification of trading and investment relationships appears high in African orders of priority. Despite political freedom, African economic options are still closely linked to former metropolises. New relationships are needed to expand markets for African products as well as to enable Africans to have a wider choice of the tools they need to build their economies. Greater choice is also needed to give them better values with respect to their purchases.

I am happy to note the African interest in diversifying their trade patterns, especially insofar as this involves expanding trade and investment ties with the United States. Such diversification will certainly provide greater freedom of choice for African buyers and improved access to the best available goods at the most favorable prices, whatever the source. It was particularly gratifying to see the concrete steps to this end taken in 1970 by the members of the Central African Customs and Economic Union—Cameroon, Central African Republic, Gabon, and the People's Republic of the Congo—to reduce the tariff preferences accorded the European Economic Community by 50 percent, 75 percent in the case of pharmaceuticals. The United States had hoped that further reductions would follow and continues to hope for timely elimination of these preferences altogether. We also hope that this bold step will be an example emulated by other countries maintaining discriminatory tariff structures.

Unfortunately, there has been a proliferation of these discriminatory arrangements in Africa. It is unfortunate insofar as the African need to have the widest possible

choice in purchasing vital capital equipment and other goods is concerned. It is, of course, also very unfortunate for us.

Can the United States play a more active role in helping Africans pursue their priorities? I think we have a great deal to offer the Africans—more than they are currently receiving from us. Given an equal opportunity to compete, our role in African economic destiny will be determined by our response to the priorities set by these countries; that is, the extent to which we can help them meet their most urgent needs. So at this conference we have an opportunity to learn more about these needs, to think hard about how we can respond, and to discuss possibilities for mutually advantageous arrangements.

The African nations have an opportunity to use this conference to learn more about what motivates American firms to sell, to buy, to invest. We in the United States have heard a great deal about African desire for more American investment. I believe that this desire will not be fully realized unless Africans understand that American firms—even our largest industrial giants—have limited budgets and virtually unlimited options for deploying these funds. It boils down to a question of competition. Where can a firm get a good return on its investments under stable and attractive conditions? These options include, of course, expanding facilities in the highly lucrative U.S. market, investing in contiguous, easily accessible markets such as Canada and Mexico, or entering the booming markets of Europe or Japan. Competing with these areas are scores of developing countries, where it is often more costly to survey the prospects for establishing operations, where the risks may be greater, and where returns may not be realized for many years.

As for the American businessman, he has to put himself in the shoes of the Africans. He has to see the broad goals of individual African countries. He must look at the African development plans and other indications of African economic priorities. In the course

of doing this, he may well find new insights in how to compete effectively with third countries as well as to align his company's activities with African priorities.

The prospective American exporter and investor alike should carefully consider policies for greater African participation in the economy. The prospective investor should explore arrangements for both equity and management involvement by Africans. Equally important, the prospective American exporter should see what can be done to utilize African businessmen to distribute his products or to train Africans to represent him in their own countries. Consideration of such factors will not only enhance the prospective exporters' or investors' prospects for a successful transaction—and insure that it will continue successfully—it may well result in more effective distribution than using the services of the long-entrenched and tradition-laden trading companies of our European competitors.

As you can see from the substantial turnout of leading executives at this conference, there is a good deal of American business interest in the developing countries of Africa. These businessmen are here to learn more about African needs, more about what Africa holds for their firms, what the prospective African customer wants that they can supply.

The emphasis here is on mutual benefit, especially on developing mutual understanding of how, specifically, opportunities for mutual benefit can be identified and realized.

The U.S. Government is committed to doing its part in helping the developing countries of Africa achieve their economic goals. We have provided economic assistance, including technical assistance to develop Africa's human resources which are so essential to economic growth. This reflects our commitment to the basic principles of assistance to the developing nations of the world. It is closely related to our desire to see a more open world with expanded relations among all countries.

There is no more important contribution

that any developed country government can make to the advancement of these objectives than to help make the international business climate more conducive to trade and investment transactions that will open the gateway to broader communication as well as stimulate the economic growth of developing countries. And so we have directed this conference at what we think are some of the most promising sectors for increasing commercial relations between the United States and the developing countries of Africa. We believe that Africa's development needs mesh very closely with the needs of the American business community as well as broader needs of the United States.

A few words on where U.S.-African business stands today. As I look at the trends of U.S. trade with the developing African countries, I see no room for complacency by those of us who are interested in expanding these relations. Even though the trend in U.S.-African trade is up, Americans purchased only 6 percent of the \$12.5 billion that Africa exported in 1970, down from 8 percent five years earlier. The United States supplied 10 percent of the \$10.6 billion import market of the developing African countries in 1970, off from 11.2 percent in 1965. Africa's principal suppliers, France and the United Kingdom, also lost a little ground during that period, but other major competitors, notably Japan, West Germany, and Italy, increased their shares.

There are no up-to-date figures on foreign investment in Africa whereby we might compare the U.S. position with those of other third countries. However, this country probably ranks number three, after France and the United Kingdom. The preponderance of our investment is in petroleum and other minerals. If we are going to participate more effectively in the economic growth of Africa, we will have to give more attention to the manufacturing and distribution sectors.

There are a number of recent transactions that clearly demonstrate the ability of American firms to reverse the decline in U.S.-African trading trends. One example is a

\$64 million contract concluded this February by an American engineering-construction firm for a sugar growing and processing project in Ivory Coast. French competitors fought hard for this contract, but the American firm was willing to make the extra effort that wins in the business world. The result: Ivory Coast will have a sugar complex second to none in quality, and the American firm may find this transaction a springboard for substantially expanding its business in west Africa.

Another example: In Nigeria, the Seaboard Allied Milling Co. consummated a flour mill investment this year costing about \$3 million. The new subsidiary, Life Flour Mills, has around 40 percent private Nigerian equity participation. The initial capacity is slated at 4,500 hundredweight of flour a day. Construction of the plant has already begun.

No mention of American business involvement in Africa can be made without citing the liquefied natural gas (LNG) projects in Algeria. The largest of these is the one involving the El Paso Natural Gas Co., but other substantial contracts for buying Algerian LNG are in the works. These transactions are expected to result in billions of dollars of revenue for Algeria. They should also help the serious U.S. energy situation.

Looking into the future, I see developing Africa's needs and problems as promising opportunities for closer commercial ties with the United States. I say this because I believe American firms are generally more adept at developing and utilizing indigenous personnel in the management of foreign operations than many of our competitors. I believe that American technology, while not perhaps the ultimate in all cases, generally is as good and in many cases better than anything else available.

I believe that both American and African businessmen have the opportunity to take additional steps that can lead to more extensive commercial ties. For example, the 8,000 African students currently studying in the United States should provide the basis for a closer, solidly based relationship. Over

a thousand of these students are enrolled in engineering courses, and approximately the same number is studying management and business administration.

In this conference on opportunities, the greatest opportunity we have is to build a solid foundation on which U.S.-African commercial relationships can be constructed. The foundation for a strong structure must be mutual understanding and a regard for each other's self-interest; it must be balanced and not lopsided in either direction. In the long run, this relationship of equitable treatment for both sides must prevail, or the edifice we

seek to erect will topple on those who come after us.

I am confident that those who participate in this conference will increase this understanding of the means by which we can assure that mutuality of interest is a working program and not a catchphrase.

Africa has contributed so richly to America and her culture. I hope that out of meetings such as this Americans can find ways to identify and develop those practical, economically sound business opportunities that will make good sense and fulfill the aspirations of the people of Africa.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

General Conference of the International Atomic Energy Agency Holds 16th Session at Mexico City

The 16th session of the General Conference of the International Atomic Energy Agency (IAEA) was held at Mexico City September 26–October 3. Following is a statement made before the conference on September 27 by Dr. James R. Schlesinger, Chairman of the U.S. Atomic Energy Commission, who was chairman of the U.S. delegation.

It is an honor for me to represent the United States at the General Conference of the International Atomic Energy Agency and to address my fellow delegates. I extend my warmest congratulations to you, Minister Flores [Horacio Flores de la Peña, of Mexico], upon your election as our presiding officer. I would like also to express our gratitude to the Government of Mexico for serving as host to the conference in this beautiful setting.

It is my privilege now to read the following message from the President of the United States:

It is a pleasure to send my warmest greetings through Dr. Schlesinger to those who attend the 16th General Conference of the International Atomic Energy Agency and to express appreciation on behalf of the United States delegation to our southern neighbor, Mexico, for hosting this important meeting.

All those who value the development and application of the enormous potential of the atom for improving the well-being of all mankind recognize the significance of this annual meeting and applaud the important position of leadership which your organization has taken to facilitate international cooperation in the safe and peaceful uses of nuclear energy.

The International Atomic Energy Agency has undertaken the critical responsibility of carrying out the safeguard provisions of the Treaty on the Non-proliferation of Nuclear Weapons, and we look forward to the early conclusion of appropriate safeguard agreements. It has given positive direction to

environmental protection programs and especially to the question of management of radioactive wastes.

In these and many other endeavors this highly important world body has contributed knowledge, guidance, and skill and provided the necessary impetus to closer collaboration among the nations of the world. I wish you another successful and productive session.

As President Nixon's message indicates, the International Atomic Energy Agency has made important contributions to the peaceful uses of nuclear energy. In reviewing the Agency's proposed program for 1973-78 and budget for 1973, I was impressed by the range and depth of its activities and the relatively modest budget and staff with which these are carried out. Among the functions I particularly noted was that relating to assistance rendered developing member states in the introduction of nuclear power and the Agency's intention to place more emphasis on this activity. I believe this to be a significant area of activity for the Agency, with a number of very important facets.

One of the principal issues we in the United States are beginning to come to grips with is the broad issue of energy and public policy. It is necessary to predict, to the extent possible, anticipated energy requirements over the next 30 or so years and specify alternative means of meeting them. This involves careful analysis of the availability and costs of various energy sources, such as uranium, coal, oil, natural gas, and hydro, on the one hand and possible energy demands on the other. Other factors, such as the economic impact of alternative energy policies and the biomedical and environmental effects associated with the recovery, conversion, transport, and utilization of various energy sources, must also be given careful consideration. From such studies, many of which are now underway by various organizations, it is hoped that increasingly rational energy choices can be made in the future.

It has become quite clear that nuclear energy must be one of the major energy

sources in the United States in future years in view of the availability of nuclear fuel materials and the economy of size in such plants. While there are clear environmental advantages to nuclear power, there also are potential environmental problems associated with the large-scale development of this as well as new energy resources of any form. We believe nuclear electric power can be produced with less insult to the environment.

On the other hand, it would be shortsighted of us not to recognize that some problems in the environmental field are unavoidably linked to the use of nuclear fission as an energy source. We gain credibility by recognizing this and working toward the necessary solutions. This will require close international cooperation.

The problem of future energy needs and the desirability of dealing with them systematically and constructively is not, of course, confined to the United States. It is an issue that all nations, both developed and developing, face in varying degrees. Those who respond to the problem at an early stage and develop a coherent energy policy will benefit over those who wait until a crisis is upon them.

Whatever help the Agency can provide to member states in considering the nuclear power alternative in national or regional energy studies of this type would, in my judgment, be a major service. In fact, the Agency might wish to consider ways in which it could make the most effective contribution to such studies.

In this connection, it should be noted that the United Nations Conference on the Human Environment, held in Stockholm last summer, adopted a resolution calling on the Secretary General—working with international bodies such as the Agency and the Organization for Economic Cooperation and Development—to undertake a comprehensive study of available energy sources, new technology, and consumption trends. The purpose of the study will be to assist in provid-

ing a basis for the effective development of the world's energy resources, with due regard to the environmental effects of energy production and use. The first report is due by 1975. The results of the Agency's present market survey of nuclear power needs in developing countries should provide a timely input to the more broadly based study called for by the Stockholm resolution.

When a country has made a decision to move ahead seriously with the nuclear power alternative, there are some specific services the Agency should be in a position to provide readily. Such services could include in-depth reactor siting evaluations, as well as assistance in the development of appropriate regulatory-type licensing procedures and of adequate health and safety standards and procedures. The Agency already provides services in these areas to some extent. However, with the growing number of nuclear powerplants on order or being installed around the world, the Agency will face a real challenge in meeting the predictable needs that will arise—and are already arising—for these services.

As all of us are aware, increasing international attention is being given to environmental protection and to the related areas of health and safety. The Agency already has a good start in programs in these vital fields through issuance of its basic health and safety standards, safe-transport regulations, and numerous codes of practice covering safe operating procedures, as well as management of radioactive wastes. Additionally, the Agency has made important contributions to the safe use of nuclear energy through its missions to assist member states with safety and environmental problems, including nuclear powerplant siting as well as research and training programs.

The United States fully supports the emphasis the Agency is placing on research in health, safety, waste management, and environmental protection. In this connection, you will be interested in the fact that a recent independent reexamination of the

Agency's programs and objectives, carried out by a group of distinguished American scientists and educators, concluded that the Agency's work is of continuing importance in the interest of international scientific advancement.

There is a distinct need for clear advance planning to develop the most effective means of tackling problems in these areas. The Agency's basic health and safety standards document should be kept under continuous review and updated whenever necessary. Also, the Agency could well undertake the studies and analyses that would enable it to forecast major problems in the broad areas of health and safety that will require attention.

One of the important areas the Agency now is addressing is the long-term management of high-level radioactive wastes. The volume of these wastes will grow as nuclear energy becomes a more important source of electrical power in both developed and developing nations. The Agency has an unusual opportunity now to help define the international scope of the waste-management task and to develop and recommend standards and criteria for waste management, handling, storage, and monitoring. The Agency's panel of experts, including one from the United States, is to meet in November to assess the problem. The work of this panel should provide a basis for identifying criteria against which to search for possible storage sites and for helping nations manage high-level wastes effectively. This action is consistent with the resolution adopted at the Stockholm Conference which called on governments to support and expand, under the Agency and other appropriate organizations, cooperation on radioactive waste problems.

With respect to safeguards, many states have negotiated, or are in the process of negotiating, appropriate safeguards agreements with the Agency pursuant to the Non-proliferation Treaty. It is particularly noteworthy that EURATOM [European Atomic Energy Community] and the Agency have

been able to negotiate a complex and important agreement involving the atomic programs of the European Community and its members. The Board's action in approving this agreement, hopefully, will bring about early ratification of the treaty by the participating governments and active implementation of the safeguards. Perhaps other signatories who have not done so now will both ratify the treaty and undertake the negotiation of safeguards agreements pursuant to the treaty.

I would like to take this occasion to reiterate on behalf of my government our strong commitment to the objectives of the Nonproliferation Treaty. My own government, which for obvious reasons is not required by the treaty to accept nonproliferation safeguards, has commenced talks with the Agency on an agreement pursuant to our offer to place U.S. nuclear activities, other than those of direct national security significance, under Agency safeguards at an appropriate time. This offer, you may recall, was made to demonstrate that we sought no commercial advantage from the treaty and that we were confident that the safeguards would not present an onerous burden.

The responsibility which agreements under the treaty place on the Agency raises the question as to what we foresee in the future development of the Agency's safeguards capabilities. Both records-accountability and inspection activities will need to be continually reviewed and modified, and expanded when necessary, to enable the Agency to fulfill its increasing responsibilities as the use of nuclear power becomes more widespread. In addition, it seems essential for the Agency to have a strong in-house capability to use and evaluate technical developments resulting from safeguards research all over the world. Inspection procedures must be kept up to date, and the cost effectiveness of the Agency's safeguards must be maintained. Both the experimental research on safeguards techniques at the Seibersdorf Laboratory and the systems analysis research at Agency headquarters

are important elements of the safeguards activity.

Turning to the proposed program for the Agency for 1973-78 and the budget for 1973, they appear to have been developed with care and with cost restraints in mind. They will have the support of the U.S. delegation.

The operational, or technical assistance, program and budget, which is of direct importance to the majority of the Agency's members, deserves special mention. The United States fully supports this activity and believes it must remain in balance with other parts of the Agency's program. To do so, it will require adequate financial support. My government has clearly demonstrated its support by contributing to the target at our assessed rate and by the additional in-kind contributions which we have made. A number of other governments have similarly contributed. Participation by all members at their assessed rate would afford equitable and satisfactory sharing of the responsibilities for a healthy and effective operational program.

I am pleased to note that the amendment to article VI of the Agency's statute has been ratified by 46 member states, including the United States. We are two-thirds of the way toward bringing the amendment into force, making possible expanded representation of many areas of the world on the Board of Governors, and I urge those members that have not done so to ratify the amendment.

As part of the in-kind contributions mentioned earlier, the U.S. Government is pleased to renew its pledge, for the 14th consecutive year, to donate up to \$50,000 worth of special nuclear material for use in Agency projects in research and for medical therapy. We shall also continue to make available, on a cost-free basis, the services of experts, training opportunities, and items of equipment, as we are able to do so.

I trust that these contributions serve further to underscore the continuing support that the United States extends to the Agency and to its programs.

U.S. Abstains on Security Council Resolutions on Southern Rhodesia

Following are statements made in the U.N. Security Council on September 29 by U.S. Representative Christopher H. Phillips, together with the text of a resolution adopted by the Council that day.

STATEMENTS BY AMBASSADOR PHILLIPS

First Statement

USUN press release 109 dated September 29

My delegation has listened with great interest to the statements of the distinguished Foreign Ministers who have spoken here thus far.

The United States remains concerned about the situation in Southern Rhodesia. We believe, however, that the Council should look at the problem from a practical point of view and in terms of measures that the members of the United Nations will actually carry out.

The United States continues to believe that racial equality and self-determination must become the inheritance of all of the people of Southern Rhodesia, and we share the abhorrence already expressed by previous speakers before this Council for an illegal regime that has tried to perpetuate control by a racist minority over an area of Africa which it has no right to govern. The United States will continue to support practical means toward achieving the realization of full political rights for all of the people of Rhodesia, but we recognize, perhaps more clearly now than in 1968, that the way will not be an easy one.

We believe that the Council should not turn a deaf ear to any practical efforts to seek a solution and that it should not hasten to condemn the attempt made recently by the British to seek a settlement. The United Kingdom has acted in a wholly responsible manner in seeking to bring the situation in Southern Rhodesia under control, and we

see no purpose in attempting to push the British Government into taking measures that would not contribute to the best interests of the majority of the people of Rhodesia. Thus, we do not believe that it is appropriate for this Council to call upon the United Kingdom to take measures that could only become effective with the use of force.

In listening to the statements so far, we note that there has been great emphasis placed on imports by the United States of strategic materials from Southern Rhodesia, although several speakers have also called attention to widespread violations by others. Mr. President, I wish briefly to set the subject in its proper perspective.

The sanctions program is, first of all, a matter which affects various states differently. For some, sanctions have been easy to comply with since they had no economic relations with Southern Rhodesia at all. For others, there were difficulties and in some cases hardships as well-established commercial ties were broken. Still others, however, have found ways of keeping such links more or less intact, and it is because of them that economic sanctions against Southern Rhodesia have thus far not had the success we originally hoped for.

The second point I wish to make is that the cooperation of all states is needed to make sanctions more effective. As you are well aware, the Congress of the United States has passed legislation which exempts certain strategic materials from its observance of Rhodesian sanctions. Though the executive branch opposed this legislation, it was nevertheless adopted and became effective as law on January 1, 1972.

My government has been forthright in making full and rigorous disclosures of our imports of these materials to the Security Council's Committee on Sanctions, and we would wish that the many other importers of Rhodesian commodities would be as candid about their transactions so as to enable the Sanctions Committee to gain a full and accurate picture of how Southern Rhodesia

has for six years been able to surmount the mandatory economic sanctions established by the Security Council.

It has been pointed out in this session of the Council that sanctions have had some limited effect on Southern Rhodesia. The Smith regime has had difficulty in finding investment capital. Procedures adopted by the Southern Rhodesians to evade sanctions are complex and expensive. There is no doubt, however, that the program is far from achieving the goal set out in Security Council Resolution 253.¹

In considering why the program has not been more effective, my delegation strongly hopes that other delegations will not succumb to the temptation to concentrate on one country, the United States, simply because it is easy to do so since its imports of Southern Rhodesian products have been made a matter of public record.

Our last report on our imports to the Sanctions Committee covered the period April 1 to June 30. Projecting our estimated annual imports against Rhodesia's estimated annual exports, it appears that our share of Rhodesia's exports will be around 2 to 3 percent of the total. Despite the fact that most of Southern Rhodesia's exports are going to other countries, the discussion on sanctions in this Council has centered to an unwarranted degree on the comparatively small amount of imports by the United States.

Now, let us look at the record of importations from Rhodesia during the first half of 1972. A good estimate of Rhodesia's total exports for the first half of 1972 would be \$200 to \$220 million. Now, what was the total value of U.S. imports, all of which were reported to the Sanctions Committee during the same period? The answer, Mr. President, is \$3 million, a very small fraction indeed of this total.

This is a troubling situation to us, not because so much time has been spent in examining U.S. imports but because so little

time and effort has been expended to determine to whom Rhodesia sold the other 98.5 percent of its exports during the first half of this year.

I believe members of the Council are also aware of the lengths to which my government has gone to maintain and support the sanctions program. Our laws and regulations, with the excepted area of strategic imports, continue to reflect our determination to do so, and so does the actual record of the United States in not only enacting the appropriate laws and regulations—although some governments, I would note, have not even done that—but also in enforcing them. Of the nations represented in this chamber today, only two have actually taken appropriate enforcement measures. One of these two, I might add, is the United States.

It may be argued that the nationals of other countries have not been prosecuted because they have studiously avoided dealing with Rhodesia. But I believe, and I think most impartial observers would agree, that the Sanctions Committee's own reports and statistics suggest an alternative explanation. So, I might add, does the evidence that has been developed as a result of recent U.S. court actions. We continue to regard with concern the very large number of cases of reported transactions in violation of sanctions, some 130 in all, compared to the handful of cases in which violations have been confirmed or admitted.

In examining the volume of reported violations, which we must assume is only the tip of the iceberg of total Rhodesian trade, and Rhodesia's obvious ability to market its goods abroad, it is clear that some countries simply have not taken their responsibilities seriously. This is not a problem that began with a statute adopted by the United States in 1972. The problem began as soon as it became clear that the United Nations Security Council Resolution 232 was being systematically evaded.²

Now, I appreciate the concern, Mr. Presi-

¹ For text of the resolution, see BULLETIN of June 24, 1968, p. 847.

² For text of the resolution, see BULLETIN of Jan. 9, 1967, p. 77.

dent, of those who argue that our action, because of its open, official character, will lead others to similar actions and will undermine the sanctions effort. But the logic of that position needs close examination.

Those who attack us for this move are saying in effect, "By your actions you will encourage others to do likewise." Now, that puts it backward. No encouragement by us has been needed. The United States would not have acted as it did if it were not well known, widely and universally known, that the United States until this year was one of a handful of nations, along with the United Kingdom and a few others, who had taken the totality of the sanctions program seriously and had made it work.

The United States did not act to create a new situation regarding sanctions. It is one thing, Mr. President, to be the first to pierce a hole in the dike, but in this case the dike has been leaking, and leaking badly, for a long time.

With respect to chrome, for example, this Council is aware that U.S. firms have recently imported two lots of chrome ore totaling about 56,000 tons. But again, according to the estimates of the Sanctions Committee, Rhodesian chrome ore production since 1966, most of which has been sold abroad, has been about 400,000 tons a year, or more than 2 million tons since Resolution 232 was adopted by this Council. Obviously, singling out the United States will not deal responsibly or adequately with this situation.

In this connection it is also interesting to note that in the fourth report of the Sanctions Committee, the single largest number of reported cases of sanctions violations involved chrome ore and ferrochrome, 34 such cases in all. Nationals of 23 nations reportedly were involved in this apparently widespread trafficking in chrome and ferrochrome. The United States was not mentioned in any one of these cases.

Another important mineral export of Rhodesia is copper. The United States may now under the recent legislation import copper from Rhodesia, although none has in fact been imported into the United States from

that territory since 1965. Nonetheless, copper since UDI [unilateral declaration of independence] has risen from third to first place among Rhodesia's mineral exports, and there are an estimated 30 to 40 copper mines now operating. The report of the Sanctions Committee documents a sharp curtailment of Rhodesian copper exports since 1966. At the same time, the evidence is that Rhodesian copper production has continued and even increased during the same period. It is, as the fourth report stated, "very difficult to determine the true situation." But there can be no serious doubt that Rhodesian copper is going somewhere, and in very substantial quantities. We have imported none, either this year or in years past.

My delegation believes that sanctions can be made more effective only if this matter is given the further study and analysis it deserves.

Mr. President, we should not confine our attention only to the area of strategic materials. Turning for a moment to the agricultural sector, the evidence again points to widespread violations on a truly massive scale.

The United States does not, and under law cannot, import any of Rhodesia's tobacco, corn, beef, or sugar. Yet these commodities continue to figure prominently in Rhodesia's exports.

Tobacco was Rhodesia's main export before sanctions. Although sanctions caused Rhodesia to lose its traditional tobacco market, much of the tobacco is being sold abroad. It is not going to the United States, but where is it going?

Analysis of this question would properly begin with the excellent information compiled by the Sanctions Committee's fourth report. Unfortunately, as far as we can determine, no further analysis has ever been attempted despite the 10 cases of suspected violations that have been brought to the committee for action and despite the information developed by the committee which demonstrates that Rhodesia's neighbors by their own figures exported 87,000 metric tons of tobacco in the period of 1968 to 1970, yet

somehow trading nations elsewhere managed to import 142,000 tons of tobacco from the same countries during the same period.

Similarly, maize has grown substantially in its importance to the Rhodesian economy since UDI. No less than 11 cases of reported violations have been brought to the Sanctions Committee, and it is clear that Rhodesian exports of this commodity have increased. But no one seems to know where any of it is going, although the fourth report of the committee documents the remarkable fact that while Mozambique reported exports of 172,000 tons of maize in the period 1967 to 1969, various countries for the same period reported maize imports from Mozambique of upward of 1 million tons.

This kind of 600 percent discrepancy, one would think, would cause some serious questions to be asked. On the contrary, however, it seems to have escaped notice entirely.

Mr. President, we are also concerned that those who share our desire to see a fair and just outcome of the Rhodesian issue have not always focused on broader aspects of the problem. We can understand concerns about our legislation, but we would have hoped that the Council would pursue all sanctions violations more systematically.

We would expect to see more interest displayed in the vital question of total Rhodesian trade. If we have imported 56,000 tons of chrome in the first half of 1972, we naturally expect to hear expressions of concern. But we would also hope to see others ask, To whom has Rhodesia sold over 2 million tons of chrome ore since sanctions went into effect? If the United States during 1972 will buy 2 or 3 percent of Rhodesia's exports, who will buy the rest?

Finally, Mr. President, if this Council is serious about making sanctions work, it will avoid this one-sided approach and recognize that the real problem is far broader in nature and cannot usefully be addressed by singling out the U.S. Government or any other individual government without reference to the total problem.

Second Statement

USUN press release 110 dated September 29

In explanation of vote on the two draft resolutions upon which the Council has just voted, the United States abstained in the vote on draft resolution S 10804, and I should like to explain very briefly why.

Given U.S. law, the United States could not vote for the call by the Security Council with regard to sanctions across the board. Moreover, I am compelled to say that we consider that this resolution focuses attention unfairly on the United States, but I want to make clear that the United States intends to continue to cooperate with the sanctions program to the fullest extent of our ability.

Mr. President, my delegation abstained on draft resolution S 10805.³ We share the sentiments expressed by others that what is now needed and what has been needed since the Pearce Commission announced its findings is that all elements within Southern Rhodesia should remain in contact and jointly demonstrate their will to work out a solution to the present impasse.

We are therefore particularly concerned about the trend of events in Southern Rhodesia in recent months and the growing evidence there of polarization. As we have made clear, we do not believe force is an appropriate or effective means of resolving the Rhodesian problem or the other fundamental difficulties in southern Africa. But neither do we believe that steps taken by the Rhodesian regime to suppress those committed to peaceful and constructive change can have any effect but to exacerbate an already difficult situation.

We would also hope that circumstances could be brought about in which a constitutional conference, including those representing all Rhodesians, African and European,

³ This draft resolution, dealing with political aspects of the Rhodesian question and calling on the British to take certain measures with respect to Rhodesia, was vetoed by the United Kingdom. The United States, France, Belgium, and Italy abstained.

could be called. We recognize that this would be impractical under present conditions, but we call upon those who seek an orderly and just outcome to the present impasse to continue to seek common ground of discussion and possible compromise.

TEXT OF RESOLUTION ⁴

The Security Council,

Recalling its resolution 253 (1968) of 29 May 1968 and subsequent resolutions in which all States are required to implement and make effective the economic, political and other sanctions against Southern Rhodesia (Zimbabwe) decided upon by the Council in furtherance of the objective of ending the rebellion in that territory,

Taking into account its resolutions 314 (1972) of 28 February 1972 and 318 (1972) of 28 July 1972 concerning the co-operation and obligations of States and the measures necessary to ensure the scrupulous observance and strict implementation of sanctions,

Deeply concerned that, despite their obligations under Article 25 of the Charter, several States continue to violate sanctions covertly and overtly in contravention of the provisions of resolution 253 (1968),

Gravely concerned about the detrimental consequences which violations could cause to the effectiveness of sanctions and, in the wider sense, to the authority of the Council,

Deeply concerned by the report of the United States that it has authorized the importation of chrome ore and other minerals from Southern Rhodesia (Zimbabwe),

Condemning the refusal of South Africa and Portugal to co-operate with the United Nations in the observance and implementation of sanctions against Southern Rhodesia (Zimbabwe),

1. *Reaffirms* its decision that sanctions against Southern Rhodesia (Zimbabwe) shall remain fully in force until the aims and objectives set out in resolution 253 (1968) are completely achieved;

2. *Calls upon* all States to implement fully all Security Council resolutions establishing sanctions against Southern Rhodesia (Zimbabwe) in accordance with Article 25 and Article 2(6) of the Charter;

3. *Urges* the United States to co-operate fully with the United Nations in the effective implementation of sanctions;

4. *Requests* the Security Council Committee es-

⁴ U.N. doc. S/RES/320 (1972) (S/10804/Rev. 1); adopted by the Council on Sept. 29 by a vote of 13 in favor, with 2 abstentions (U.K. and U.S.).

established in pursuance of resolution 253 (1968) concerning the Question of Southern Rhodesia to undertake, as a matter of urgency, consideration of the type of action which could be taken in view of the open and persistent refusal of South Africa and Portugal to implement sanctions against the illegal régime in Southern Rhodesia (Zimbabwe) and to report to the Council not later than 31 January 1973;

5. *Further requests* the Committee to examine and submit a report to the Security Council not later than 31 January 1973 on all proposals and suggestions made at the 1663rd to 1666th meetings of the Council for extending the scope and improving the effectiveness of sanctions against Southern Rhodesia (Zimbabwe).

TREATY INFORMATION

Current Actions

MULTILATERAL

Atomic Energy

Amendment of article VI of the statute of the International Atomic Energy Agency of October 26, 1956, as amended (TIAS 3873, 5284). Done at Vienna September 28, 1970.¹

Acceptance deposited: Dominican Republic, October 5, 1972.

Protocol suspending the agreement of September 18 and November 25, 1964 (TIAS 5884), between the United States, IAEA, and Viet-Nam for the application of safeguards and providing for the application of safeguards pursuant to the nonproliferation treaty of July 1, 1968 (TIAS 6839). Done at Mexico City October 3, 1972. Enters into force on the same date as the treaty safeguards agreement.

Signatures: International Atomic Energy Agency, United States, and Viet-Nam.

Aviation

Convention on offenses and certain other acts committed on board aircraft. Done at Tokyo September 14, 1963. Entered into force December 4, 1969. TIAS 6768.

Accession deposited: Luxembourg, September 21, 1972.

Convention for the suppression of unlawful seizure

¹ Not in force.

of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.
Ratification deposited: Denmark, October 17, 1972.²

Protocol to amend the convention for the unification of certain rules relating to international carriage by air signed at Warsaw on October 12, 1929 (49 Stat. 3000), as amended by the protocol done at The Hague on September 28, 1955. Done at Guatemala City March 8, 1971.¹

Signature: New Zealand, September 12, 1972.

Protocol relating to an amendment to the convention on international civil aviation, as amended (TIAS 1591, 3756, 5170). Done at New York March 12, 1971.¹

Ratifications deposited: France, September 13, 1972; Switzerland, September 28, 1972.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971.¹

Signature: Denmark, October 17, 1972.

Bills of Lading

International convention for the unification of certain rules relating to bills of lading and protocol of signature. Done at Brussels August 25, 1924. Entered into force June 2, 1931; for the United States December 29, 1937. 51 Stat. 233.

Notification that it continues to be bound: Fiji (with reservation), September 29, 1972.

Customs

Customs convention on containers, with annexes and protocol of signature. Done at Geneva May 18, 1956. Entered into force August 4, 1959; for the United States March 3, 1969. TIAS 6634.

Accession deposited: Canada, September 8, 1972.

Maritime Matters

Convention for the unification of certain rules with respect to assistance and salvage at sea. Done at Brussels September 23, 1910. Entered into force March 1, 1913. 37 Stat. 1658.

Notification that it continues to be bound: Fiji, September 29, 1972.

Safety at Sea

International regulations for preventing collisions at sea. Approved by the international conference on safety of life at sea at London May 17 to June 17, 1960. Entered into force September 1, 1965. TIAS 5813.

Acceptances deposited: Austria, August 4, 1972; Cuba, August 25, 1972; Fiji, August 15, 1972.

Weights and Measures

Convention establishing an International Organization of Legal Metrology. Done at Paris October 12, 1955, and amended January 1968. Entered into force May 28, 1958; for the United States October 22, 1972.

¹ Not in force.

² Not to be applied to Faroe Islands and Greenland.

Accession deposited: United States, September 22, 1972.

Whaling

Amendments to paragraphs 1(c), 4(1)(a), 5, 6(1), 8(a)-(j), 9(c), 11, and 12(a) to the schedule to the international whaling convention of 1946 (TIAS 1849). Adopted at London June 26-30, 1972, at the 24th meeting of the International Whaling Commission.

Entered into force: October 5, 1972.

BILATERAL

Union of Soviet Socialist Republics

Agreement regarding certain maritime matters, with annexes and exchanges of letters. Signed at Washington October 14, 1972. Enters into force January 1, 1973, though this date may be accelerated by mutual agreement of the parties.

Agreement regarding trade, with annexes and exchanges of letters. Signed at Washington October 18, 1972. Enters into force upon the exchange of written notices of acceptance.

Agreement regarding settlement of lend-lease, reciprocal aid, and claims. Signed at Washington October 18, 1972. Entered into force October 18, 1972.

Agreement on financing procedures, with exhibit and exchange of letters. Signed at Washington October 18, 1972. Entered into force October 18, 1972.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on October 3 confirmed the nomination of Kenneth Franzheim II, now serving as Ambassador to New Zealand, to Western Samoa, and to Fiji, to serve concurrently as Ambassador to the Kingdom of Tonga. (For biographic data, see White House press release dated September 25.)

The Senate on October 11 confirmed the following nominations:

William R. Crawford, Jr., to be Ambassador to the Yemen Arab Republic. (For biographic data, see White House press release dated September 25.)

Joseph A. Greenwald to be U.S. Representative to the European Communities. (For biographic data, see White House press release dated September 12.)

Edward W. Mulcahy to be Ambassador to the Republic of Chad. (For biographic data, see White House press release dated September 25.)

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Check List of Department of State Press Releases: October 16-22

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Release issued prior to October 16 which appears in this issue of the BULLETIN is No. 242 of September 25.

No.	Date	Subject
†261	10/16	U.S.-Netherlands cost-sharing agreement for educational exchange program.
*262	10/16	Regional foreign policy conference, Boston, Nov. 17.
*263	10/17	Notice of public meeting on Oct. 26 and availability of draft environmental impact statements on oil pollution conventions and proposed ocean dumping convention.
†264	10/17	U.S.-Belgium understanding on civil aviation charter service (rewrite).
265	10/19	Rogers: "Issues and Answers," Oct. 15.
†266	10/19	Irwin: Council on Foreign Relations, Wilmette, Ill., Oct. 18.
†267	10/19	New U.S. law to combat illegal trafficking of pre-Columbian artifacts.
*268	10/20	Hearing at Detroit on Nov. 6 on draft environmental impact statement on proposed pipeline between Windsor, Ont., and Green Springs, Ohio.
†269	10/20	Meeting on Oct. 30 of Advisory Committee of the Foreign Service Institute (rewrite).
†270	10/20	Rogers: Los Angeles World Affairs Council.

* Not printed.

† Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXVII, No. 1742

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Dr. Kissinger Discusses Status of Negotiations Toward Viet-Nam Peace

Following is the transcript of a news conference by Henry A. Kissinger, Assistant to the President for National Security Affairs, held at the White House on October 26.

Weekly Compilation of Presidential Documents dated October 30

Dr. Kissinger: Ladies and gentlemen: We have now heard from both Viet-Nam's, and it is obvious that as a war that has been raging for 10 years is drawing to a conclusion that this is a traumatic experience for all of the participants. The President thought that it might be helpful if I came out here and spoke to you about what we have been doing, where we stand, and to put the various allegations and charges into perspective.

First, let me talk about the situation in three parts: Where do we stand procedurally, what is the substance of the negotiations, and where do we go from here?

We believe that peace is at hand. We believe that an agreement is within sight based on the May 8 proposals of the President and some adaptations of our January 25 proposal which is just to all parties.¹ It is inevitable that in a war of such complexity that there should be occasional difficulties in reaching a final solution, but we believe that by far the longest part of the road has been traversed and what stands in the way of an agreement now are issues that are relatively less important than those that have already been settled.

Let me first go through the procedural points, the arguments with respect to particular dates for signing the agreement. As you know, we have been negotiating in these private sessions with the North Vietnamese for nearly four years. We resumed the discussions on July 19 of this year. Up to now, the negotiations had always foundered on the North Vietnamese insistence that a po-

litical settlement be arrived at before a military solution be discussed and on the companion demand of the North Vietnamese that the political settlement make arrangements which, in our view, would have predetermined the political outcome.

We had taken the view, from the earliest private meetings on, that rapid progress could be made only if the political and military issues were separated; that is to say, if the North Vietnamese and we would negotiate about methods to end the war and if the political solution of the war were left to the Vietnamese parties to discuss among themselves. During the summer, through many long private meetings, these positions remained essentially unchanged.

As Radio Hanoi correctly stated today, on October 8 the North Vietnamese for the first time made a proposal which enabled us to accelerate the negotiations. Indeed, for the first time they made a proposal which made it possible to negotiate concretely at all. This proposal has been correctly summarized in the statements from Hanoi; that is to say, it proposed that the United States and Hanoi, in the first instance, concentrate on bringing an end to the military aspects of the war, that they agree on some very general principles within which the South Vietnamese parties could then determine the political evolution of South Viet-Nam—which was exactly the position which we had always taken.

They dropped their demand for a coalition government which would absorb all existing authority. They dropped their demand for a veto over the personalities and the structure of the existing government.

¹ For background, see BULLETIN of May 29, 1972, p. 747, and Feb. 14, 1972, p. 185.

They agreed for the first time to a formula which permitted a simultaneous discussion of Laos and Cambodia. In short, we had for the first time a framework where, rather than exchange general propositions and measuring our progress by whether dependent clauses of particular sentences had been minutely altered, we could examine concretely and precisely where we stood and what each side was prepared to give.

I want to take this opportunity to point out that from that time on, the North Vietnamese negotiators behaved with good will and with great seriousness. And so did we. We have no complaint with the general description of events as it was given by Radio Hanoi.

However, there grew up the seeds of one particular misunderstanding. The North Vietnamese negotiators made their proposal conditional on the solution of the problem by October 31, and they constantly insisted that we give some commitment that we would settle the war and complete the negotiations by October 31.

I want to stress that these dates were not dates that we invented or proposed. I would like to stress that my instructions from the President were exactly those that were stated by him at a press conference; that is to say, that we should make a settlement that was right, independent of any arbitrary deadlines that were established by our own domestic processes.

In order to avoid an abstract debate on deadlines, which at that time still seemed highly theoretical, we did agree that we would make a major effort to conclude the negotiations by October 31; and it is true that we did, from time to time, give schedules by which this might be accomplished. It was, however, always clear, at least to us—and we thought we made it clear in the records of the meetings—that obviously we could not sign an agreement in which details remained to be worked out simply because in good faith we had said we would make an effort to conclude it by a certain date.

It was always clear that we would have to discuss anything that was negotiated first in Washington and then in Saigon. There has

been a great deal of discussion whether Saigon has a veto over our negotiations, and I would like to explain our position with respect to that.

Clearly, the people of South Viet-Nam, who have suffered so much, and the Government of South Viet-Nam, with which we have been allied, who will be remaining in that country after we have departed, have every right to participate in the making of their own peace. They have every right to have their views heard and taken extremely seriously.

We of course preserve our own freedom of judgment, and we will make our own decisions as to how long we believe a war should be continued. But one source of misunderstanding has been that Hanoi seemed to be of the view that we could simply impose any solution on Saigon and that their participation was not required. But I also want to make clear that the issues that remain to be settled have a number of sources, and I will get into them in some detail.

Saigon, as is obvious from the public record, has expressed its views with its customary forcefulness both publicly and privately. We agreed with some of their views. We didn't agree with all of them, and we made clear which we accepted and which we could not join.

In addition, while my colleagues and I were in Saigon, we visited other countries of Southeast Asia and we had extensive conversations with American officials, and it appeared that there were certain concerns and certain ambiguities in the draft agreement that we believed required modification and improvement. But I want to stress that what remains to be done is the smallest part of what has already been accomplished, and as charges and countercharges fill the air, we must remember that, having come this far, we cannot fail and we will not fail over what still remains to be accomplished.

Now, let me first go briefly over the main provisions of the agreement as we understand them, and then let me say what, in our view, still remains to be done. We believe, incidentally, what remains to be done can be

settled in one more negotiating session with the North Vietnamese negotiators lasting, I would think, no more than three or four days; so we are not talking of a delay of a very long period of time.

Let me, however, before I go into the issues that still remain, cover those that are contained in the draft agreement, of which, on the whole, a very fair account has been given in the radio broadcast from Hanoi. I don't refer to the last two pages of rhetoric; I am referring to the description of the agreement.

The principal provisions were and are that a cease-fire would be observed in South Viet-Nam at a time to be mutually agreed upon—it would be a cease-fire-in-place; that U.S. forces would be withdrawn within 60 days of the signing of the agreement; that there would be a total prohibition on the reinforcement of troops; that is to say, that infiltration into South Viet-Nam from whatever area, and from whatever country, would be prohibited. Existing military equipment within South Viet-Nam could be replaced on a one-to-one basis by weapons of the same characteristics, and of similar characteristics and properties, under international supervision.

The agreement provides that all captured military personnel and foreign civilians be repatriated within the same time period as the withdrawal; that is to say, there will be a return of all American prisoners, military or civilian, within 60 days after the agreement comes into force.

North Viet-Nam has made itself responsible for an accounting of our prisoners and missing in action throughout Indochina and for the repatriation of American prisoners throughout Indochina.

There is a separate provision that South Vietnamese civilians detained in South Viet-Nam, that their future should be determined through negotiation among the South Vietnamese parties, so that the return of our prisoners is not conditional on the disposition of Vietnamese prisoners in Vietnamese jails on both sides of the conflict.

With respect to the political provisions, there is an affirmation of general principles

guaranteeing the right of self-determination of the South Vietnamese people and that the South Vietnamese people should decide their political future through free and democratic elections under international supervision.

As was pointed out by Radio Hanoi, the existing authorities with respect to both internal and external policies would remain in office; the two parties in Viet-Nam would negotiate about the timing of elections, the nature of the elections, and the offices for which these elections were to be held.

There would be created an institution called the National Council of National Reconciliation and Concord whose general task would be to help promote the maintenance of the cease-fire and to supervise the elections on which the parties might agree. That Council would be formed by appointment, and it would operate on the basis of unanimity. We view it as an institutionalization of the election commission that we proposed on January 25 in our plan.

There are provisions that the disposition of Vietnamese armed forces in the South should also be settled through negotiation among the South Vietnamese parties.

There are provisions that the unification of Viet-Nam also be achieved by negotiation among the parties without military pressure and without foreign interference, without coercion and without annexation.

There is a very long and complex section on international supervision, which will no doubt occupy graduate students for many years to come and which, as far as I can tell, only my colleague Ambassador Sullivan [William H. Sullivan, Deputy Assistant Secretary of State for East Asian and Pacific Affairs] understands completely.

But briefly, it provides for joint commissions of the participants, either two-party or four-party, for those parts of the agreement that are applicable either to two parties or to four parties; it provides for an international supervisory commission to which disagreements of the commissions composed of the parties would be referred, but which also had a right to make independent investigations, and an international conference to

meet within 30 days of the signing of the agreement to develop the guarantees and to establish the relationship of the various parties to each other in greater detail.

There is, finally, a section on Cambodia and Laos in which the parties to the agreement agree to respect and recognize the independence and sovereignty of Cambodia and Laos, in which they agree to refrain from using the territory of Cambodia and the territory of Laos to encroach on the sovereignty and security of other countries. There is an agreement that foreign countries shall withdraw their forces from Laos and Cambodia.

And there is a general section about the future relationship between the United States and the Democratic Republic of Viet-Nam in which both sides express their conviction that this agreement will usher in a new period of reconciliation between the two countries and in which the United States expresses its view that it will in the postwar period contribute to the reconstruction of Indochina and that both countries will develop their relationships on a basis of mutual respect and noninterference in each other's affairs and that they will move from hostility to normalcy.

Now, ladies and gentlemen, in the light of where we are, it is obvious that most of the most difficult problems have been dealt with, that if you consider what many of you might have thought possible some months ago compared to where we are, we have to say that both sides have approached this problem with a long-term point of view, with the attitude that we want to have not an armistice, but peace; and it is this attitude which will govern our actions despite occasional ups and downs which are inevitable in a problem of this complexity.

Now, what is it, then, that prevents the completion of the agreement? Why is it that we have asked for one more meeting with the North Vietnamese to work out a final text? The principal reason is that in a negotiation that was stalemated for five years, and which did not really make a breakthrough until October 8, many of the general

principles were clearly understood before the breakthrough, but as one elaborated the text, many of the nuances on which the implementation will ultimately depend became more and more apparent.

It was obvious, it was natural, that when we were talking about the abstract desirability of a cease-fire that neither side was perhaps as precise as it had to become later about the timing and staging of a cease-fire in a country in which there are no clear frontlines. And also the acceptance on our part of the North Vietnamese insistence on an accelerated schedule meant that texts could never be conformed, that English and Vietnamese texts tended to lag behind each other, and that ambiguities in formulation arose that require one more meeting to straighten out.

Let me give you a few examples, and I think you will understand that we are talking here of a different problem than what occupied us in the many sessions I have had with you ladies and gentlemen about the problem of peace in Viet-Nam, sessions which concerned abstract theories of what approach might succeed.

We are talking here about six or seven very concrete issues that, with anything like the good will that has already been shown, can easily be settled. For example, it has become apparent to us that there will be great temptation for the cease-fire to be paralleled by a last effort to seize as much territory as possible and perhaps to extend operations for long enough to establish political control over a given area.

We would like to avoid the dangers of the loss of life, perhaps in some areas even of the massacre that may be inherent in this, and we therefore want to discuss methods by which the international supervisory body can be put in place at the same time that the cease-fire is promulgated.

The Secretary of State has already had preliminary conversations with some of the countries that are being asked to join this body in order to speed up this process.

Secondly, because of the different political circumstances in each of the Indochinese

countries, the relationship of military operations there to the end of the war in Viet-Nam, or cease-fires there in relation to the end of the war in Viet-Nam, is somewhat complex; and we would like to discuss more concretely how to compress this time as much as possible.

There were certain ambiguities that were raised by the interview that the North Vietnamese Prime Minister, Pham Van Dong, gave to one of the weekly journals in which he seemed to be, with respect to one or two points, under a misapprehension as to what the agreement contained, and at any rate, we would like to have that clarified.

There are linguistic problems. For example, we call the National Council of Reconciliation an administrative structure in order to make clear that we do not see it as anything comparable to a coalition government. We want to make sure that the Vietnamese text conveys the same meaning.

I must add that the words "administrative structure" were given to us in English by the Vietnamese, so this is not a maneuver on our part.

There are some technical problems as to what clauses of the Geneva accords to refer to in certain sections of the document, and there is a problem which was never settled in which the North Vietnamese, as they have pointed out in their broadcast, have proposed that the agreement be signed by the United States and North Viet-Nam—we on behalf of Saigon, they on behalf of their allies in South Viet-Nam.

We have always held the view that we would leave it up to our allies whether they wanted a two-power document or whether they wanted to sign themselves a document that establishes peace in their country. Now, they prefer to participate in the signing of the peace, and it seems to us not an unreasonable proposal that a country on whose territory a war has been fought and whose population has been uprooted and has suffered so greatly—that it should have the right to sign its own peace treaty. This, again, strikes us as a not insuperable difficulty, but its acceptance will require the

redrafting of certain sections of the document, and that, again, is a job that will require several hours of work.

We have asked the North Vietnamese to meet with us on any date of their choice. We have, as has been reported, restricted our bombing, in effect, to the battle area in order to show our good will and to indicate that we are working within the framework of existing agreements.

We remain convinced that the issues that I have mentioned are soluble in a very brief period of time. We have undertaken, and I repeat it here publicly, to settle them at one more meeting and to remain at that meeting for as long as is necessary to complete the agreement.

So this is the situation in which we find ourselves.

With respect to Hanoi, we understand its disappointment that a schedule toward the realization of which it had made serious efforts could not be met for reasons beyond the control of any party, but they know, or they should know and they certainly must know now, that peace is within reach in a matter of weeks, or less, dependent on when the meeting takes place, and that once peace is achieved we will move from hostility to normalcy and from normalcy to cooperation with the same seriousness with which we have conducted our previous less fortunate relationships with them.

As far as Saigon is concerned, it is, of course, entitled to participate in the settlement of a war fought on its territory. Its people have suffered much, and they will remain there after we leave. Their views deserve great respect. In order to accelerate negotiations, we had presented them with conclusions which obviously could not be fully settled in a matter of four days that I spent in Saigon. But we are confident that our consultations with Saigon will produce agreement within the same time frame that I have indicated is required to complete the agreement with Hanoi and that the negotiations can continue on the schedule that I have outlined.

With respect to the American people, we

have talked to you ladies and gentlemen here very often about the negotiations with respect to the peace, and we have been very conscious of the division and the anguish that the war has caused in this country. One reason why the President has been so concerned with ending the war by negotiation, and ending it in a manner that is consistent with our principles, is because of the hope that the act of making peace could restore the unity that had sometimes been lost at certain periods during the war and so that the agreement could be an act of healing rather than a source of new division. This remains our policy.

We will not be stampeded into an agreement until its provisions are right. We will not be deflected from an agreement when its provisions are right. And with this attitude, and with some cooperation from the other side, we believe that we can restore both peace and unity to America very soon.

Thank you. I will be glad to answer your questions.

Q. Do you feel that this program could not have been achieved four years ago?

Dr. Kissinger: There was no possibility of achieving this agreement four years ago because the other side consistently refused to discuss the separation of the political and military issues, because it always insisted that it had to settle the political issues with us and that we had to predetermine the future of South Viet-Nam in a negotiation with North Viet-Nam.

As the statement from Hanoi said, on October 8 Hanoi for the first time made what it called a very significant proposal in which it accepted the principles that the military issues should be settled first and that the political issues should be left essentially to a negotiation among the South Vietnamese parties, with just the most general principles to be settled in the private negotiations.

As they say, "With a view to making the negotiations progress"—this is reading from the Hanoi statement—"at the private meeting on October 8, the DRV side took a new, extremely important initiative. It put for-

ward a draft agreement and proposed that the government," and so on, "immediately agree upon and sign this agreement to rapidly restore peace in Vietnam." In that draft agreement, the DRV side proposed the cessation of the war throughout Viet-Nam, a cease-fire in South Viet-Nam, and a total withdrawal of U.S. forces.

And then it said, "The two South Vietnamese parties shall settle together the internal matters of South Vietnam within three months after the cease-fire comes into effect." This is not an exact description of what the agreement says. The agreement does not say it must be done within three months. The agreement says that the two parties will do their utmost to get it done within three months. The exact text to which I referred is as follows:

"Therefore, as the U.S. side has many times proposed, the Vietnam problem would be solved in two steps. The first step is to end the war in Vietnam, to have a cease-fire in South Vietnam, to end U.S. military involvement in South Vietnam. In the second step, the South Vietnamese sides will jointly solve South Vietnamese internal problems."

This has been our position since the beginning of these negotiations. It was never accepted four years ago, three years ago, or two months ago. The first time it was accepted was on October 8. As soon as it was accepted, we completed within four days a rough draft of an agreement from which we have since been operating.

Q. What is the recourse if the negotiations for the elections break down? That has been a point at which North Viet-Nam has balked in the past.

Dr. Kissinger: The agreement provides that the cease-fire is without time limit.

Q. Does President Thieu go along with this whole deal?

Dr. Kissinger: As I have pointed out, the South Vietnamese agree with many parts of it and disagree with some aspects of it. We agree with some of their disagreements and not with all.

Q. Have the South Vietnamese been informed of the negotiations?

Dr. Kissinger: The South Vietnamese were informed of the negotiations as they went along. However, the negotiations really were composed of two phases. There was the negotiation between July 19 and October 8. In that negotiation, the other side constantly proposed various formulas for the institution of a coalition government which would replace the existing government in Saigon and which would assume governmental power. And Saigon was informed.

I took a trip to Saigon in the middle of August to have a long discussion with the South Vietnamese Government. My deputy, General [Alexander M.] Haig, took another trip to present to them the various formulations that had been developed.

On October 8, for the first time, Hanoi presented the different approach which they have correctly described in their statement. They then insisted that we, on the basis of this approach, begin to draft the outline of an agreement in order to meet their deadline for October 31.

Now, if we had wanted to protract negotiations, we could easily have said that we have to return to Washington first or return to Saigon for further consultation. We believed that this was such an important step on the part of the North Vietnamese that took into account so many of the proposals that we had made, and such a significant movement in the direction of the position consistently held by this administration, that we had an obligation, despite the risks that were involved, of working with them to complete at least an outline of an agreement; and we spent four days, sometimes working 16 hours a day, in order to complete this draft agreement, or at least the outline of this draft agreement.

I mention this only because if we had wanted to delay we had many much better opportunities than to raise a few objections of the kind that I have described at the very end. But we did insist—and we constantly emphasized it—that we could not conclude

this agreement without a full discussion with our allies in Viet-Nam.

I want to make clear another thing: that many of the concerns I have expressed here, while they are also shared by Saigon, are ours as well, and the particular issues that I raised would require resolution if the agreement is to bring a real peace and if it is not to lead immediately to endless disputes as to what its provisions mean.

Q. Why are you waiting for Hanoi to propose the date of the next meeting? Why don't you suggest that you start tomorrow?

Dr. Kissinger: Because we are not eager to score debating points. Obviously, the North Vietnamese negotiators have to get wherever we are going to meet from where they are. We have told them that any day they are ready to meet we will be there. We have suggested Paris, but we have also told them that we would meet in other locations that might be more convenient for them.

Q. Would you go to Hanoi, Dr. Kissinger?

Dr. Kissinger: I think we should complete the agreement elsewhere.

Q. Dr. Kissinger, you have, in effect, encouraged the American people that you are on the brink of peace. By coincidence—this happens to come by coincidence, you say at any rate—this happens to come at a time when the American people are about to vote for a President. What assurance can you give the American people that this will not somehow fall down, that it will not come off after the election?

Dr. Kissinger: We can only give the assurance of our record. We have conducted these negotiations for four years, and we have brought them to this point with considerable difficulty and with considerable anguish. We cannot control if people believe or if people choose to assert that this is simply some trick.

We have negotiated seriously and in good faith. We stand by what we have agreed to, and we give the assurance that we will stick

by what we have negotiated and what we have achieved so laboriously.

As for the point that this is by a so-called coincidence, I can only repeat that the deadline was established by Hanoi and not by us and that we were prepared to keep this whole agreement secret until it was consummated and we would not have revealed it if it had not been consummated before the election.

Q. Dr. Kissinger, what are the main differences between Saigon and Washington now, and what will happen if agreement is not reached?

Dr. Kissinger: We are confident that agreement will be reached. No useful purpose would be served by going into the details of consultations that are still in process, but we are confident that we will reach agreement within the time frame that I have described to you.

Q. Is the United States prepared to sign a separate agreement with North Viet-Nam if President Thieu refuses to sign an agreement?

Dr. Kissinger: I see no point in addressing a hypothetical question which, as I have said, we are confident will not arise; and as I have indicated, the particular objectives which we seek for ourselves in the remainder of the negotiations are all views which we strongly hold as the U.S. Government.

Q. Dr. Kissinger, you haven't said whether President Thieu accepts a cease-fire.

Dr. Kissinger: I think I have expressed my conviction that President Thieu will accept a cease-fire.

Q. Dr. Kissinger, President Thieu said in his speech that the Communists were demanding a coalition government, and you did not mention one. Could this National Council be turned into a coalition?

Dr. Kissinger: This settlement is a compromise settlement in which neither side achieves everything and in which both parties have the necessity of posturing themselves for their constituencies.

We do not consider this a coalition government, and we believe that President Thieu was speaking about previous versions of a Communist plan and not about this version of the Communist plan. I think we all recognize the fact that political leaders speak to many audiences at the same time.

Q. Are you going to make the text available that you had?

Dr. Kissinger: No.

Q. Do you believe the North Vietnamese will leave on the negotiating table the proposals they have accepted thus far if you don't make the October 31 deadline?

Dr. Kissinger: I cannot believe that when this major progress has been made that an arbitrary deadline should be the obstacle to peace, and we believe that the negotiations will continue.

Q. On the same point, with respect to the 8th of November deadline, what is to assure them that our side will not harden our negotiating stance once the pressure of the election is off?

Dr. Kissinger: Our negotiation has not been framed by the election. We have not revealed any of our positions throughout the election; and had not Hanoi revealed the text or the substance of the agreement, we would have had no intention of disclosing it until or unless an agreement had been reached.

We have given a commitment that a text that will be agreed to at the next session will be the final text and that no new changes will be proposed. We will maintain this commitment. We are not engaged in Viet-Nam for the purpose of conducting a war.

I would like to suggest to you ladies and gentlemen that while it is possible to disagree with provisions of an agreement, the implication that this is all a gigantic maneuver which we will revoke as soon as this period is over is unworthy of what we have gone through.

Q. Dr. Kissinger, can you say whether President Thieu himself would insist on sign-

ing an agreement or whether somebody else might, for his government?

Dr. Kissinger: The level at which the agreement will be signed has not been finally determined, but it is almost certainly not the Presidential level.

Q. Dr. Kissinger, does the resupplying and reequipment of the Communist forces apply only to those in South Viet-Nam, and if so, are the North Vietnamese at liberty to take as much from the Soviet Union as they can get?

Dr. Kissinger: The formal provisions apply only to South Viet-Nam, but there is no question, and there can be no question, that the general conditions in Indochina will govern the actions of many of the countries, but I don't want to go into greater detail.

Q. Does your formal explanation there cover U.S. support, the status of continuing U.S. support?

Dr. Kissinger: There is no limitation of any kind on economic aid. Military aid is governed by the replacement provisions that I have described. There is no limitation of any kind on economic advisers, and the military presence is governed by the withdrawal provisions.

Q. Is bombing covered within the concept of a withdrawal of U.S. forces?

Dr. Kissinger: It covers an end to all military activities over the territory of North Viet-Nam from whatever direction.

Q. What effect does it have on Thailand and the 7th Fleet?

Dr. Kissinger: There are no limitations on American forces in Thailand nor on the fleet.

Q. Dr. Kissinger, do you think that the mining of the harbor and the bombing of North Viet-Nam contributed to the acceleration by the North Vietnamese of negotiations?

Dr. Kissinger: I don't want to speculate on North Vietnamese motivation.

Q. What concessions did the United States

make to get this agreement, in your judgment?

Dr. Kissinger: The United States made the concessions that are described in the agreement. There are no secret side agreements of any kind.

Q. Did you discuss with Le Duc Tho at any time the deadline of October 31 to sign the agreement, and if he raised this question, what did you reply?

Dr. Kissinger: We believe that it is quite possible that an honest misunderstanding arose. We always said that we would make a major effort to meet the deadline, and we developed various hypothetical ways by which this deadline could be met. We also said, and that is equally in the record, that all of this depended on a satisfactory completion of various parts of the agreement. But they may have misunderstood honestly the conditional or hypothetical nature of some of the schedules.

But the most significant aspect cannot be whether one signs on one date or another. The significant aspect is when one is so close to an agreement, whether one perfects it and then signs it regardless of the deadline. There is no magic about any one date.

Q. Why did Hanoi want that deadline?

Dr. Kissinger: You will have to ask Hanoi.

Q. Is it still possible to achieve that deadline of October 31?

Q. What countries would participate in supervising the cease-fire and in the conference?

Dr. Kissinger: We are committed to achieving an agreement in another session of several days' duration, and it is up to the other side to determine when they want to meet.

Which countries participate? Until all the countries have been approached, it would not be proper for me—

Q. Is the United States one of them?

Dr. Kissinger: The United States is a party, and it cannot be part of the supervisory mechanism. But the United States is

a party to the four-power Joint Military Commission. That is one of the bodies that supervises those provisions that apply to the four parties. It is not part of the international body, but it is part of the international conference.

Q. How broad would the conference be, sir?

Dr. Kissinger: Again, it would be inappropriate to list the countries until they have been approached.

Q. Would you amplify somewhat on the Cambodian-Laos agreement? Both sides must withdraw forces and cease major supplying, is that what you implied before?

Dr. Kissinger: Well, I have given the general outline of the agreement, but it is envisaged that foreign forces are withdrawn from these countries.

Q. When was Hanoi advised one more meeting would be necessary?

Dr. Kissinger: I believe on Sunday morning our time here, and we also informed them that we would stop military activities north of the 20th parallel.

A Significant Breakthrough in the Viet-Nam Negotiations

Following are excerpts from remarks made by President Nixon at Huntington, W. Va., and at Ashland, Ky., on October 26.

REMARKS AT HUNTINGTON, W. VA.

White House press release (Huntington, W.Va.) dated October 26

... I know that in our hearts tonight, above everything else we want a world of peace. As all of you have read or heard on your television tonight, there has been a significant breakthrough in the negotiations with regard to Viet-Nam.

Tonight I can say to you with confidence that because of the progress that has been made, I am confident that we shall succeed in achieving our objective, which is peace with honor and not peace with surrender in Viet-Nam.

There are still differences to be worked out. I believe that they can and will be worked out. But let me go on beyond that. America has been in wars and has ended wars before in this century, but the great tragedy is that we end one war and then, before a generation is over, we are in another one. And the goal that I have sought—the goal that all of you want, that all Americans want—is not just a peace that is simply a period of rest between wars, but real peace that will last.

Did you know that in this whole century we have never had a full generation, young people growing up for a full generation, without war? We had World War I, and then World War II, and then Korea, and then Viet-Nam. I think that is enough. What I want is a generation of peace and, beyond that, another generation of peace. That is why not only are we ending the war in Viet-Nam in a way that will promote the interest of lasting peace, but that is why we went to Peking, that is why we went to Moscow.

The differences between the Government of the United States, and the philosophy that we hold to, and the Government of the People's Republic of China and the Government of the Soviet Union are very great. The Communist and our systems will always be different. But in the world in which we live it is essential that we build a system in which we can have differences between governments but in which the people of those nations can be friends.

It is important that the Russian people and the American people not be enemies. It is important that the Chinese people—and this is one-fourth of all the people in this world—not be enemies of the United States. I am not suggesting tonight that in this past year in which these historic journeys have taken place that we have achieved the millennium. There is much more to be done. . . .

REMARKS AT ASHLAND, KY.

White House press release (Ashland, Ky.) dated October 26

... When we speak of peace, I know the immediate thought that comes through our minds, and it is one that has been coming through our minds for many years, through the years that America has been engaged in the longest war in its history. It is a war that began long before I came into office in 1969. It is one that we have wound down. It is one which, as you know from reading your newspapers this afternoon and listening to the television and radio, in which there has been a significant breakthrough in the peace negotiations.

Let me say to you tonight that on May the 8th, when I made the difficult decision of mining the harbors of North Viet-Nam and bombing military targets, I laid out three goals for peace. I thought they were reasonable goals, and they were these: First, there should be a cease-fire, stop the killing; second, all of America's POW's should be returned and all of our missing in action should be accounted for; and third, the people of South Viet-Nam, the 17 million people who live in South Viet-Nam, should have the right to determine their own future without having a Communist government imposed upon them against their will by force. Those were the three goals.

Now, based on the progress that has been made in the negotiations to date, I can say with confidence tonight that I believe that we can succeed in achieving those goals. I believe that we will succeed in achieving the goal that I have heard from those young people sitting behind us: peace with honor and not surrender for America. The day has not yet come. There are still some differences that must be resolved. I believe they will be resolved.

However, let us look back for a moment about other times in this century. If you are old enough to have lived through them, as I was—or if you are old enough, certainly as all of you are, to have read about them—you remember with relief 1918, Armistice Day.

I remember at that time I was only five years old, but I can recall the celebration in our little town at Yorba Linda, California. What a relief. The war was over.

But it was only an interlude; it was not a peace that lasted. Because before the next generation grew up, the sons of those who had fought in World War I were fighting in World War II.

You remember V-J Day and V-E Day. I recall on V-J Day I was in New York City, in Times Square, with my wife, and the wonderful elation we all felt about the war that was over, and then came the United Nations and all the hope for a new world order, and we thought, now we are going to have real peace.

And then the sons and the younger brothers of those who had fought and many had died—350,000 in World War II—were fighting again in Korea.

Then during President Eisenhower's first year in office, you remember the headline—the war was over. And all of us shed a sigh of relief because the young men who had died there, certainly their sacrifice had not been in vain, because South Korea retained its independence and its freedom from North Korean invading forces.

And yet within a few years the younger brothers of those who had fought in Korea and the sons of the older ones who had fought in Korea were fighting in Viet-Nam. And now a day will come, one day, when the war will be over.

Let me tell you, that of course is a great accomplishment. I can assure you that anyone who sits in that Oval Office, as I do, and writes the letters to the mothers, to the wives, to the next of kin of those who have died; anyone who sees the wounded, the others, the ones who have served so magnificently; anyone who has talked, as I have, to the brave wives of POW's—what you want more than anything else is to get the war over.

But also, what you want is to get it over with honor. Not simply because of some national ego. You want to get it over with honor because by ending it in an honorable

way, by ending it in the right way, you may lay the foundation for not having another war in that same generation.

That is why we have insisted on these conditions that I have laid down, and that is why, as this war does come to a conclusion, it will be concluded in a way, we believe, that will discourage aggression in the future rather than encourage it.

That is just the beginning. Let me take you a little further, however, on this whole prospect for peace in the world.

It would have been somewhat easier, as a matter of fact somewhat tempting, during these past four years to work as we did only in trying to bring the war in Viet-Nam to an end. And it would have been some satisfaction to have brought home 500,000, as we did, to reduce the casualties 98 percent, as we did, to get to peace negotiations that now have a good chance for success, but we did not stop there. The reason we did not stop there is that, as I looked at the world, I saw that once the war was over in this small part of the world, there still hung over the world a greater danger potentially in the future.

There was another superpower, the Soviet Union. At the beginning of our term in office we were in confrontation with that superpower. And then there was the huge People's Republic of China, where one-fourth of all the people in the world were living and with which the people of the United States and their government had had no communication for a period of over 20 years.

As I studied that situation at the beginning of my term in office, long before it began, I determined that it was essential that we build a world order in which governments could have their differences, in which governments could be built on different philosophies, but in which the peoples of nations with different philosophies and different governments need not necessarily be enemies.

I felt this was essential, essential particularly when what was involved was not a conventional but a nuclear war which no one would win, where there would be only losers, and so we began in January 1969 not only to

bring an end to the war in Viet-Nam but to establish a new relationship with the Soviet Union and a beginning of a relationship with the People's Republic of China. The year 1972, in this year, has perhaps seen, as historians will record, more progress toward true peace in the world than any year since the end of World War II.

I don't mean it is here. I don't mean simply because we went to Peking and established a dialogue that we are not going to have differences with the People's Republic of China. We will have. And I don't mean that because we have had an arms control agreement and trade agreements and exchange agreements and health agreements and environmental agreements with the Soviet Union that we are not going to continue to have differences with the Soviet Union. We will.

Theirs are Communist governments; ours is a free government. And sometimes our interests will come in contradiction to each other. But what we have done, you see, what we have done is now to have replaced what was a hopeless situation, hopeless, with the great powers moving down the road to an inevitable collision at some time in the future, with now a hopeful situation in which the United States and the Soviet Union are negotiating their differences at the conference table—we negotiate hard, but we negotiate, and we settle them—in which the United States and the People's Republic of China talk about their differences. We negotiate hard, but we have now developed at least a dialogue.

Let me say in that connection then, I would not hold out to this audience, and particularly to these younger people behind me, the certainty that there will not be conflict in the world, the certainty that there will not be small wars in the world. But I do say this: The chance for this new generation of Americans to grow up in a world without a war for a whole generation is better than it has been, in my opinion, any time in this century, and we want to keep it that way.

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A United States Foreign Policy of Engagement

*Address by Secretary Rogers*¹

It is probable that if I had come here 3½ years ago to emphasize President Nixon's determination to fundamentally alter the concept of American foreign policy—to substitute negotiation for confrontation—I would have encountered some considerable skepticism. That would have been understandable. How many of us would have dared to predict how rapidly and how profoundly our international relations were destined to change?

—A President of the United States has traveled to the People's Republic of China as the guest of a government with which we have never had diplomatic relations.

—An American President has visited Moscow for the first time.

—The United States and the Soviet Union have reached agreements on nuclear arms which go to the heart of our strategic rivalry. And on Wednesday the United States settled its lend-lease debt with the Soviet Union and entered into a broad new trade agreement.

—An agreement has been reached, with U.S. participation, to insure that Berlin will no longer be a chronic source of East-West tension in central Europe.

—In the Middle East a U.S.-initiated cease-fire is now in its 27th month.

—Important steps have been taken, at U.S. initiative, to make the international economic system more equitable.

These events, and others which have recently occurred, have reduced the risk of war and the burden of armaments. They have made the world a safer place. But the significant result of these accomplishments in the past four years is what they promise for the next four years.

It was clear in 1969 that policies of the past would not be adequate. It would be necessary to create new ones—policies freed of preoccupation with the past and animated by the prospects of a better future. Thus in four years we have replaced an approach motivated largely by containment of adversaries with a policy of engagement—engagement with adversaries in building new ties and engagement with allies on a basis of confidence and commitment.

This new policy demands a careful balance between change and continuity. It requires flexibility and resolve. It demands resourcefulness in building on the initiatives that have been taken with former adversaries. It calls for new and improved methods of working with our friends.

In his inaugural address the President referred not just to 1969 but to the future—to 1976, the year of our bicentennial, and to the year 2000, the beginning of the third millennium. What kind of a nation, he asked, would we be on those great anniversaries? He said that we would seek a world open to ideas, open to the exchange of goods and people, a world in which no people, great or small, would live in angry isolation. It is that world, that vision, to which the policy of engagement has been dedicated.

¹ Made before the Los Angeles World Affairs Council at Los Angeles, Calif., on Oct. 20 (press release 270).

New Relationships With Communist Nations

No change has been received with such worldwide approval as the President's effort to engage the countries of the Communist world in an expanding network of cooperative relationships.

The Moscow summit marked the opening of an entirely new relationship between the two most productive and powerful countries in the world. The new relationship was officially described in the joint statement of principles as one of "peaceful coexistence." But I prefer to look beyond the essentially passive nature of the term to the concept of "mutually beneficial cooperation" which permeated the communique and the agreements we reached in Moscow and which has motivated our subsequent efforts to put them into operation.

Because of the fundamental differences that exist between us we do not assume that our efforts will meet with easy success. And militarily our nation must never risk being second to any other nation regardless of détente. Nevertheless, we and the Soviet Union have now acknowledged that our mutual interests are engaged not only in arms limitations but in increased trade and cultural contact, and in fields as technical as cancer research, space projects, and pollution control.

Early next year, for example, a team of Soviet specialists in river and lake pollution will visit Lake Tahoe and the Great Lakes, while an American group will visit Russia's Lake Baikal. They will be exchanging ideas and information on controlling pollution in these lakes, which together contain more than a third of the water in all the world's freshwater lakes and rivers.

Next year also a group of Soviet seismologists will journey to California on an exchange which will take a comparable American team to a major earthquake belt in central Asia. The Soviet scientists will install instruments in the San Andreas Fault which could increase our ability to predict earthquakes, an experiment that might have important implications for Los Angeles.

Already the Soviet Minister of Reclamation and Water Management has toured California in connection with joint programs to study conservation of resources. Just a few days ago he told us in Washington how enormously impressed he was that California has done as much as it has with a limited water supply, less than is available to southern Russia through the Don River alone.

With China, too, the change in relationships has been dramatic, though the pace of engagement—beginning as it did with an almost total absence of communication—has naturally been slower. Nevertheless, by the end of this year bilateral trade should pass the \$100 million mark, and prospects for 1973 are considerably better. Over 100 American businessmen are now attending the fall fair which opened in Canton five days ago; only 40 attended last spring.

Exchanges are also beginning to acquire momentum. Earlier this month a 22-man group of newspaper editors visited China. A 15-member Chinese medical group was received by President Nixon last week and will visit California toward the end of this month. A 10-member group of Chinese scientists will arrive in this country in late November. And we hope that before the year is out Americans in a number of cities will be able to see performances by a team of Chinese gymnasts, whose spectacular accomplishments I can recommend from my own experiences in Peking.

While seeking more cooperative bonds with the Soviet Union and the People's Republic of China we have simultaneously sought to improve relations with the countries of eastern Europe. The President's visit to Poland in May and my own trip to Hungary, Romania, and Yugoslavia in July led to the negotiation of beneficial bilateral agreements. It is now clear from my conversations with the Czechoslovak and Bulgarian Foreign Ministers at the United Nations this month that their governments, too, desire to negotiate concrete improvements in our bilateral relations. We are responding favorably.

With Czechoslovakia we will, for example, begin negotiations soon on a consular convention which can lead to the reopening of consulates in Chicago and Bratislava. We also look forward to an early opening of negotiations on an agreement to renew cultural and scientific exchanges.

Next year we expect to receive a Deputy Prime Minister of Bulgaria, the highest level Bulgarian official ever to visit the United States. In the meantime we will proceed to resolve a number of bilateral problems which have so long clouded the atmosphere of our relationship.

Less than a decade ago American willingness to increase ties within eastern Europe was viewed with the deepest suspicion in that area. The fact that today the impulses for improvement can come from both sides is a healthy sign. We welcome the movement in eastern Europe toward greater engagement with the western countries. We see next year's Conference on Security and Cooperation in Europe as a way to encourage that trend.

An Environment of Disarmament

A major objective of our efforts at engaging adversaries in more constructive relationships has been to reduce the degree to which the world's nations rely on force as an instrument of national policy.

Over the next few years in fact, possibly even over the next decade, we will be regularly engaged in some sort of strategic arms negotiation with the Soviet Union. In our international relations generally we can hope to move into what can be called an environment of disarmament. Our overall aim must be to preserve that environment, to extend it to military areas beyond the strategic, and to engage other countries in the progress it can bring.

—It should be possible, for example, to reduce the level at which the troops of NATO and the Warsaw Pact confront each other in central Europe. We hope that talks on the mutual and balanced reduction of forces

in the area can begin early next year.

—We will continue to seek the achievement of an effective arms supply limitation in the Middle East, a step which would maintain the arms balance and one which would contribute to an equitable and peaceful solution of the problems of that region.

—Finally, in the longer term, we hope that as relations improve agreement could be reached among major arms suppliers to exercise a far greater degree of restraint in the arming of developing countries.

A More Equal Partnership With Our Allies

If our policy of engaging adversaries in more peaceful relationships has been marked with success so, too, has our policy of engaging allies in a more equal partnership.

Among our highest priorities is a determination to support and encourage Japan in its growing influence and partnership with us in Asia and throughout the world. We have demonstrated this support through such practical measures as the return of Okinawa to Japan. We have also encouraged Japan's growing world role, which has found expression in its establishment of relations with Peking and in its prospective treaty negotiations with the Soviet Union. And we have offered support of Japan's permanent participation in the United Nations Security Council. President Nixon's talks with Prime Minister Tanaka in Honolulu last month and our conversations in Washington with Foreign Minister Ohira just this week symbolize the closeness of our ties.

There obviously have been, and will be, differences between the United States and Japan, notably on economic matters. But I am convinced that the new foundation of equality on which our current relations are based has given them as firm a footing as at any time since the war. It is a durable relationship upon which we both will continue to build.

In response to the policies of the Nixon doctrine our friends and allies in East Asia are assuming greater responsibilities for

their defense. While maintaining the integrity of our commitments we have thus been able to withdraw about 570,000 of our own troops from the area.

In Europe an economically stronger and politically more cohesive community also will bolster the values and principles for which we stand in world affairs. We have therefore steadfastly supported progress toward a wider Common Market even while we are concerned about tendencies that might harm our trading relations with Europe or its associated countries. And we have gained the cooperation of our European allies in assuming more of the burden of our common defense; during this year, for example, they have increased their defense efforts by over \$1 billion.

A Strong National Defense

Our engagement with adversaries in a more cooperative relationship and our engagement with friends in a more equal relationship are as important for the world of the future as they are for the world of today.

But, as I have noted, a successful policy of engagement depends on continuity as well as on change. We must not weaken ourselves or our allies as our relationships change. This requires us to remain faithful to our international commitments. This requires us to maintain a strong national defense.

We are maintaining a strong national defense not because of any desire for military superiority but so that our security, and that of our allies, may never be brought into question. Ultimately it is the security provided by our defense programs that has given us the confidence and the ability to negotiate more cooperative relationships with adversaries. We could not, as has been suggested, drastically reduce our defense budget and our troop strength without a serious impact on our foreign relations.

In this connection I want to point out that we already have a defense budget that consumes the smallest share of our gross national product—less than 7 percent—of any budget since 1950. Already since 1969 we

have cut our armed forces by a third—from 3.5 million to 2.3 million. Additional large-scale reductions would force us back to a strategy of purely nuclear deterrence. To do this would impair the flexibility of our diplomacy and would create an unstable world situation which might jeopardize the peace.

In 1793 Thomas Jefferson said, "We confide in our strength, without boasting of it; we respect that of others, without fearing it." No American President should ever be put in the position of being unable to "confide in our strength." That is why President Nixon has such a deep conviction that a strong military posture is basic to the policy we are pursuing.

For a quarter of a century the United States has pursued bipartisan policies based on a system of collective security with 42 nations. We established alliances with our 14 NATO partners, with nations of Latin America, and with many nations of Asia because we believed that such a collective security system was necessary to our own self-interest and to the world's stability. I believe it is still necessary. We must never forget that our continuing resolve to honor our alliances and obligations has been at the heart of the progress we have already made.

Broad Respect for U.S. Foreign Policy

Just a week ago I returned from three weeks of conversations at the United Nations. I had separate meetings there with 79 Foreign Ministers. I am convinced from these talks that there is broad respect and understanding for our foreign policy. The overwhelming support expressed for the President's initiatives with the Soviet Union and China, the desire expressed by eastern European countries for improved relations with the United States, the practical discussions on matters of bilateral cooperation—with trust an essential element—were evidence of this respect.

I was also struck by the fact that in those 79 meetings whenever Viet-Nam was dis-

cussed there was understanding for the actions we have taken and support for our objective of ending the war. There is a general awareness in this nation that the President is doing all he can to end the war by negotiation. My talks at the United Nations have now convinced me that that awareness is shared throughout the world.

I have no doubt that the policy of engagement I have outlined today is the right one. The President intends to continue on that course because he believes that the United States must play a responsible role in the world.

—We will be steadily working toward further improvements in our relations with the Soviet Union and China.

—We will start during the second round of strategic arms talks beginning on November 21 to create an enduring pattern of restraint on offensive strategic weapons.

—We will pursue during 1973 our efforts to promote a just and lasting peace settlement in the Middle East.

—We will seek, in negotiations next year with our major trading partners in western Europe, Canada, and Japan, to assure international economic conditions which will keep our economy strong and our ties with them sound.

—We will enter the two major European negotiations of 1973, on security and cooperation and on mutual and balanced force reduction, with a determination to help reduce tension from the Atlantic to the Urals.

—We will encourage Latin America to play a more active role in world affairs, and we will pursue a more symmetrical relationship in our own continuing association with the hemisphere.

—As the nation with the second largest black population in the world we must augment our associations in Africa, with particular emphasis on economic assistance and cooperation.

—We will continue in our overall development policy to seek a reversal of the growing

disparity between the world's richer and poorer countries.

Today major powers have the capacity to destroy only with the certain knowledge of self-destruction. Is it too much to hope, then, that this generation will be wise enough to avoid the madness of another worldwide conflict?

The goal of the President is to build a structure to provide a generation of peace. Is this unobtainable? I think not.

Peace cannot be imposed. Idealism does not induce it. And from experience we know we cannot find it by keeping to ourselves. The challenge of the future is to be fully and responsibly engaged in an interdependent world with benefits that are universal, a tranquil world which makes war universally unacceptable and repugnant.

I believe that the United States by taking the leadership in meeting that challenge will make it possible to have a generation of peace. A generation of peace, for ourselves and for our children, is worthy of our maximum effort and dedication—and that the United States is prepared to give.

Strategic Arms Limitation Talks To Resume November 21 at Geneva

*Joint U.S.-U.S.S.R. Announcement*¹

Weekly Compilation of Presidential Documents dated October 23

Pursuant to the agreement reached during the summit meeting in Moscow last May to continue active negotiations for the limitation of strategic offensive arms, the Governments of the United States and the Union of Soviet Socialist Republics will resume talks on this subject on November 21, 1972, in Geneva, Switzerland.

¹ Read to news correspondents at Washington on Oct. 19 by Ronald L. Ziegler, Press Secretary to President Nixon. The announcement was made simultaneously at Moscow.

Assistant Secretary Sisco Discusses Middle East Policy for Israeli Television

Following is the transcript of an interview with Joseph J. Sisco, Assistant Secretary for Near Eastern and South Asian Affairs, which was conducted at New York on October 6 by Haim Yavin of the Israeli Broadcasting Authority and broadcast on Israeli television on October 9.

Q. Mr. Sisco, terrorism is on the agenda of the United Nations; indeed, on the agenda of the world. What has the United States done so far to fight international terrorism?

Mr. Sisco: We've launched a very broad program internationally. The core of it was made public in Secretary Rogers' speech before the General Assembly a few days ago;¹ we are trying to move on as many fronts as possible simply because of the fact that we feel that, as you've indicated, it is a worldwide problem, though of course many of the more recent manifestations emanate from the Middle East. It's a problem that concerns every country in the world, and that's the reason why we're in the forefront of trying to get the United Nations—the international community—to come to grips with this problem.

Q. Would you specify what has been done, especially in Europe, to start with?

Mr. Sisco: We feel there are a number of very important conventions which are already in existence on the hijacking problem. We have been and are discussing this matter with countries not only in Europe but all over the world in hopes that international law can be strengthened in this field by creating obligations on states—the kind of obligations and climate which would encourage

countries to take actions against states who harbor or fail to punish hijackers as they should; that is, if they do not discharge their obligations, they do not make hijackers available and generally do not cooperate in coping with the problem. So what it really amounts to is that we are trying to strengthen the law and to give it teeth and to include sanctions wherever it's necessary. We think, obviously, Europe is an important area; but it's worldwide, and you really need cooperation from all over the world because nobody knows where the next target will be.

Q. What kind of response have you got so far from European countries?

Mr. Sisco: Well, I think on the whole the response has been very good. In the Legal Committee of the General Assembly there is a current discussion in train intended to give added strength to the conventions on the protection of diplomats and government officials. Secondly, we have inscribed on the agenda of the U.N. General Assembly an item on terrorism, and the United States has already submitted an initial draft convention which is designed to deal with the problem of the export of terrorism.² This draft, for example, covers the kind of senseless attacks that took place at the Lod Airport. It covers the kind of despicable attack that occurred at Munich. Our hope is that the Assembly will discuss terrorism in great detail, and as far as we're concerned, the sooner action is taken by the international community, the better.

Q. But action surely is the business of

¹ BULLETIN of Oct. 16, 1972, p. 425.

² For text of the U.S. draft convention, see *ibid.*, p. 431.

governments, and my question referred to governments in Europe. Do they do something practical about this matter right now?

Mr. Sisco: Yes, I think that a number of governments have done something practical. Let me give you a good example. Any number of governments in Europe and elsewhere have looked, for example, at their control measures. There's need for greater coordination between countries. There's need for greater exchange of information. There's need for more careful scrutiny of visa procedures, passport procedures. Interpol [International Criminal Police Organization], which met in Frankfurt recently, has adopted unanimously an American resolution. Interpol has decided to utilize its existing machinery to maximize the exchange of information, because this is most helpful in identifying prospective perpetrators of terrorism. We are under no illusions; it is a very difficult problem because terrorism can strike in many different ways—for example, the recent mail bombings. In this connection we welcome the fact that Interpol in recent weeks has been concentrating on this particular problem and is helping to cope with it. We in the United States, for example, have reviewed and tightened all kinds of procedures relating to people moving in and out of the country.

Q. On the whole, are you happy with whatever has been done so far?

Mr. Sisco: Well, I'd say it's a good beginning, but again we do not underestimate the difficulties in achieving maximum cooperation. While this problem is worldwide, it really depends on the attitude and the will of states. This problem is being dealt with in a highly delicate political context, whether we are talking about the Middle East primarily or whether we are talking about other areas of the world. As far as we're concerned, we're going to stay at this problem; we are going to work at it not only within diplomatic channels but in all possible international forums because we feel no individual is immune from terrorist attacks.

Q. Mr. Sisco, are you happy with the results so far?

Mr. Sisco: I believe we have made a reasonably good beginning. We are under no illusions; this is something which will require determination and persistence. It is a difficult problem with which to cope, largely because it is difficult to ascertain where the next terrorist act will take place. But we will persevere; we will pursue this matter within diplomatic channels, we will pursue the matter in all possible international forums. The achievement, if I can use the word "achievement," to date is that we have a good many countries interested and world opinion is being focused on it. Obviously, strengthening the law and getting teeth behind the law is not the only way. Obviously, one has also to get at problems that give rise to these things, but that's another part of the problem.

Q. What about the Arab countries that support and harbor terrorists? Can you do anything? Do you see any move on the side of the Arab countries so far on that problem?

Mr. Sisco: We are trying to get across the idea to all countries—and that includes the Arab countries—that all countries have a responsibility, and particularly in the context of the Middle East, no one can disclaim a responsibility. We have made it very clear in numerous speeches in the U.N. that we are against violence from whatever quarter. Our recent veto, for example, was based on the assumption and on the belief that the past one-sided results in the Security Council do not contribute to an alleviation of the situation in the area; that to try to condemn one aspect of violence while disregarding the other contributes to the tension rather than reduces it.

Q. Does the United States agree with Israel that international terrorism is the first obstacle to be removed before any negotiations in the Middle East can take place?

Mr. Sisco: I would put it this way. Certainly dealing with terrorism is a central

concern insofar as the United States is concerned; it has a very significant priority and it's the first step on the agenda, if I can put it that way. I believe this helps to explain why we have made the recent moves in the U.N. General Assembly, in Interpol, and in the International Civil Aviation Organization. At the same time, however, there is no doubt in our mind that what is needed is the beginning of a negotiating process, a negotiating process between the parties. We feel and continue to feel that the most feasible approach is an interim Suez Canal agreement. We have indicated a willingness to play a role if this is the desire of the parties concerned. Basically, we feel that the chasm on the question of an overall settlement is a very broad one and that the most feasible approach is the step-by-step approach; for this reason we believe the doors of diplomacy are and should remain open. We are struck with the fact that regardless of all of the difficulties in the area, the cease-fire continues after 26 months. I believe there is less risk of direct confrontation in the Middle East today than there was some months ago. The doors of diplomacy are open in the sense that the principal parties are still committed to the November 1967 Security Council resolution even though the two sides have different interpretations of that resolution.³ What this amounts to is this: If we can begin the process of dealing with terrorism, if we can regain the kind of climate which we believe was evolving in the period prior to Munich, then it ought to be possible to achieve a negotiating process looking toward a partial agreement.

Prospects for Proximity Talks

Q. Mr. Sisco, you had a meeting on Wednesday with Foreign Minister Zayyat. Do you see any sign on the Egyptian side that the Egyptians would be willing in the near future to get to the proximity talks?

Mr. Sisco: There was no new ground broken in that meeting between Secretary

Rogers and the Foreign Minister of Egypt. We continue to believe that both sides are keeping the doors of diplomacy open, and while no new ground has been broken, there's no reason to believe that any doors to diplomacy have been closed.

Q. Would you elaborate a little on this?

Mr. Sisco: No, I do not think I can go beyond that. I believe the positions of both Israel and Egypt with respect to the interim agreement and an overall settlement are very well known. Basically, what I'm saying is that at the moment, for the time being, there is no change in the position on either side.

Q. Which means that the Egyptians will not for the foreseeable future get to the proximity talks?

Mr. Sisco: What I'm saying is that the Egyptian position is what it has been. Insofar as the proximity talks are concerned, Israel informed the United States last February of its willingness to engage in proximity talks without preconditions under the aegis of the United States. The Egyptian position has been that before it is willing to engage in such proximity talks it wants a prior Israeli commitment to the Jarring [U.N. Special Representative Gunnar Jarring] memorandum of February 1971. Israel has not accepted that position. Egypt has not changed its position in this regard, and therefore the likelihood, as long as these two positions remain the same, the likelihood of proximity talks in the next week or two, I think, is not very great.

Q. And beyond that?

Mr. Sisco: Well, I used the words "a week or two"; I could have said a month or two or three. I'm using this very loosely; I don't want to put any time limit on all of these things. What is key is that negotiations are the root to a partial agreement. We believe there are opportunities. Regardless of all the difficulties in the area, the minimal conditions are prevalent for diplomacy to take hold. We are going to continue to work to this end.

³ For text of Security Council Resolution 242 of Nov. 22, 1967, see BULLETIN of Dec. 18, 1967, p. 843.

Q. You do not foresee a danger of war in the near future in the Middle East?

Mr. Sisco: The likelihood of war in the Middle East in the immediate future has diminished. It is significant that, as uneasy as it is, the cease-fire is being maintained. I would like to take this opportunity to say to my Israeli audience that I remain convinced that President Sadat needs and wants a political solution. I believe it is not insignificant that Egypt remains committed to Security Council Resolution 242, even though its interpretation is different from the Israeli interpretation. In other words, the framework is still there for further efforts toward a negotiated peace called for by Security Council Resolution 242.

Soviet Presence in the Middle East

Q. Mr. Sisco, Premier Sidki will be going to Moscow on the 15th, in a week or so. Do you foresee a return, a massive return, a possibility of a massive return of Russians to the Middle East, to Syria, Egypt perhaps?

Mr. Sisco: Well, I don't think I ought to speculate on that. I believe what is a fact is that there has been a reduction of the Soviet presence in Egypt, but obviously the Soviet Union continues to be a significant factor in the Middle East. You will recall that when President Sadat announced his decision some months ago, one of the points made was that consultations between Egypt and the Soviet Union would take place on the question of future U.S.S.R.-Egyptian relationships. I don't want to speculate; the decision taken by President Sadat was an internal decision, it was one taken by the Egyptian Government, and I would prefer to wait and see.

Q. But is the Soviet presence in the Middle East still a serious presence; do you regard it as serious?

Mr. Sisco: The Soviet presence continues to be a substantial one in the Middle East. I believe the need for a political settlement which results in a durable peace continues to be of major importance. As long as the

"no war, no peace" situation continues in the Middle East, we will have instability and there will be risks and dangers in the situation. The answer, of course, is a political answer—a peace agreement. We have always felt that it is important for there to be a strong American presence in the Mediterranean, not only because this is important in maintaining the balance in the area but because if American diplomacy is to have any real significance in the area it has to be bulwarked by American strength.

Q. Are you worried by the supplies, by the arms supplies that are coming into Syria right now?

Mr. Sisco: Well, again, I don't want to get into the question of arms supplies in any specific sort of way. I would only reiterate what I said a moment ago, that the Soviet presence in the Middle East is a reality. While it has been reduced in Egypt, the Soviets are significant in the area and this is a fact of life, a fact of life which I think is recognized by countries in the area as well as the major powers who have an interest in the area.

Q. Do you see in the foreseeable future any settlement between Israel and Jordan?

Mr. Sisco: Well, up to now the priority has been to try to work out in the first instance an agreement between Egypt and Israel. I believe that priority continues to be key. Obviously, before there is durable peace, not only do the Egyptian-Israeli aspects of the problem have to be dealt with but also those relating to Jordan and Syria. But I would say the Egyptian-Israeli aspect continues to be the priority item.

U.S. Role in Middle East Settlement

Q. Mr. Sisco, the United States has spoken time and again against an imposed settlement in the Middle East. This policy continues, I understand.

Mr. Sisco: It does continue. It is unrealistic to believe that any major power can impose its will on the Middle East. The Middle East—Israel and the Arab states as well are

sovereign countries, and I don't believe any major power has this kind of capacity. But more important, I think, if the peace is going to be a durable peace it has to be something considerably more than what it was at the end of the Suez crisis in 1956. You will recall that the United States was the third-power repository of the understandings which were achieved between Egypt and Israel. When we talk about a peace agreement today, we're talking about obligations which each state would undertake in relationship to one another rather than to a third party. Perhaps we can be helpful, perhaps we can play a role of constructive catalyst, but this does not mean that we believe or have any desire to attempt any kind of an imposition of a solution or that we intend to substitute ourselves for an agreement between the parties.

Q. Will this hold true after the elections in the United States as well?

Mr. Sisco: Well, I think it will, and I think as far as we're concerned it's important that a negotiating process begin. We have an interest and we have a role if the parties want us to play a role, but the principal focus has to be negotiations between the parties.

Q. Mr. Sisco, many people in Israel are still haunted by the famous Rogers plan. Is this plan going to direct American policy in the future, or perhaps have things changed that much that you feel the plan could be dropped now?

Mr. Sisco: Well, I really can't add or subtract to what has been said in terms of our policy. We have in the past had views as to ideas that might meet legitimate concerns of both sides. But even on the basis of any substantive ideas that we have developed over the last three or four years, our whole approach was still based on the assumption that the key features of any agreement had to be negotiated between the two sides. Now, I think we will just have to wait and see how the situation evolves. I think the process of negotiation is the first step. As I say, if we

can play a helpful role, we're available. But in terms of what the situation will be two months from now, five months from now, I think one will have to see.

Q. Does this mean the Rogers plan still is the U.S. plan for the Middle East?

Mr. Sisco: Well, I would again repeat what I said a moment ago: I'm in no position to either add or subtract to what has been said with respect to our policy. What will come out in the Middle East in my judgment, assuming a negotiating process can begin, will be, I hope, some understanding on the principal elements of the November 1967 resolution. This means really a binding peace, peace commitments between the two sides; the question of the opening of the Suez Canal is one. The resolution also called for withdrawal. It did not call, as you know, for total Israeli withdrawal to the pre-June 5 lines. The whole assumption of Security Council Resolution 242 was that the final lines would be negotiated between the two sides. Moreover, the whole problem of refugees, it seems to me, has taken on a much more politicized context here in 1972 than was the case in 1967. So what I'm trying to say is this: There's one thing that one can say about the Middle East and that is it's not static, it's forever changing, and the situation in 1973 will be different than what the situation was, say, in 1969, when our substantive ideas were publicized for the first time. Nineteen seventy-three will be a period, for example, when the Middle East will have experienced almost three years of a cease-fire. It'll be a situation where, hopefully, there will be a context of less possibility of confrontation. And the Middle East is very considerably affected by what has gone on this past year. We've seen a remarkable opening at the summit level between the United States and Communist China. We've seen concrete agreements between the United States and the Soviet Union that obviously have an impact not only on the Middle East but elsewhere in the world. If one looks, for example, at the communique that was adopted in May in Moscow, in addition to

support and confirmation on the part of the major powers for a peaceful solution based on the November 1967 resolution, an important set of principles was agreed on; namely, that each side would try to avoid a confrontation, that each side would resort to peaceful means, that each side would try to resist the temptation to derive unilateral advantage from one given trouble spot as against another.

Q. Mr. Sisco, I would like to go back to the Rogers plan if you will permit me. [Resolution] 242 says that Israel should not withdraw from all territories; the Rogers plan, as far as I remember it, does—regarding Egypt, I mean.

Mr. Sisco: Well, let me first of all say something about 242. It contains the principle of withdrawal and you know this is not very clearly understood, strangely enough. It calls for the principle of withdrawal and in a subsequent paragraph of the Security Council resolution it talks in terms of so-called secure and recognized borders. It did not endorse the 1967 lines as the final lines, but it did not preclude those lines, either.

Q. You've got me all mixed up. As far as I know, the Rogers plan speaks about withdrawal to the '67 boundaries regarding Egypt and Israel.

Mr. Sisco: Well, but that is subject—it talks in terms of the international boundary that has existed, but what is normally forgotten is the fact that the withdrawal to that border is linked to negotiations between the two sides on three key issues: First, that a satisfactory agreement would be achieved between Israel and Egypt on the key point of Sharm al-Shaykh; second, that satisfactory agreement would be achieved as a result of negotiation with respect to demilitarization in the Sinai; and third, Gaza, both in terms of what the security arrangements would be as well as the resolution of the problem of sovereignty. What's normally forgotten about the Rogers plan is that these three key points were left completely open for negotiation; there was no substantive

judgment made one way or another; and these are really in my judgment the key issues of security in any peace agreement between Egypt and Israel. But as I say, I don't want to go beyond that; I'm not really in a position to add or subtract to policy statements that have been made, and I'm not interested in making news, as a matter of fact.

Q. You've never considered dropping the plan, scrapping it?

Mr. Sisco: Well, I don't want to say anything more now. I think I've tried to answer your questions to the degree to which I can.

The Palestinian Problem

Q. You have said a few moments ago two things. One is encouraging, and I find it encouraging that although the Rogers plan exists, a solution should be found—the emphasis should be on negotiations between the sides, if I read you correctly. This is one thing; the other thing is that we're going to face a new obstacle in '73: the Palestinian problem.

Mr. Sisco: Well, the Palestinian problem is not a new obstacle. There's no durable—

Q. In sharper focus, I mean.

Mr. Sisco: Well, yes, it's in sharp focus, and the Palestinian problem has been a problem for many, many years, and there isn't any doubt that if you're going to get a durable peace in the area it's going to have to meet the legitimate concerns not only of Israel and the established Arab states but of the Palestinians. Now, I don't really think that the Black September group represents either the majority view of the Arab states or, for that matter, the majority view of the Palestinians. I'm convinced on the basis of the discussions that I've had over the last four years that the preponderant majority of the Palestinians want a peaceful solution, and I think it would be a mistake to lump a small group of people that are dedicated to the use of force and terrorism—terrorism largely outside the area because the guerrilla

movement hasn't been effective in the military sense in the Middle East—I think it would be a mistake to equate this very small group with the majority view on the Arab side. I think the majority of the Arab people today want a peaceful solution and are prepared to face up to the idea of coexistence with Israel.

Q. Another burning issue is the economic fee on Soviet Jewry—

Mr. Sisco: Right.

Q. —the ransom. In view of the action taken by Congress, the Jackson amendment—

Mr. Sisco: Yes.

Q. —and the commercial on-going talks with the Russians, do you believe, do you see in the foreseeable future, anything that the Soviets would cancel or eliminate this fee?

Mr. Sisco: Well, again, I'm not in the business of predicting, and I'm not about to. What I can say and will say is this: First, this is a deep emotional issue, not only with Israelis, but it is a matter of very deep concern for all Americans. Secondly, we have made clear that this matter has been taken up and will continue to be taken up at all appropriate levels. We're convinced that to be effective the avenue of private diplomacy has to be pursued. We described, for example, just the other day to your Foreign Minister just what we are doing privately, and I think there is an appreciation and understanding both in your country and our own that we are doing everything that is possible. We will continue to pursue this matter quietly in what we consider to be the most effective manner. It's very easy to make a lot of public statements on this kind of thing and thereby not achieve any results. We're convinced that the most effective way is to pursue this matter privately and directly, which is what we are doing. I would make this added point: I'm also convinced that to the degree to which discussions between the United States and the Soviet Union, broadly

speaking, result in concrete understandings, result in a diminution of tension between the two major powers, this should help improve the atmosphere and should have a positive and a salutary effect on the question that you raised.

Q. You would not reveal to us what [Soviet Foreign Minister Andrei A.] Gromyko told you in that meeting?

Mr. Sisco: No, I don't think so. If you're going to pursue private diplomacy, I don't think you begin to reveal on television or anywhere else just what was said.

Q. Let me ask you for the end of our short interview a few personal questions. After so many years of trying to get to a solution, aren't you a little discouraged sometimes?

Mr. Sisco: Oh, no. We all get discouraged from time to time, but I'm basically an optimist. I'm the sort of individual who looks at a glass and says that it's half full of water rather than half empty. That's been my philosophy in my life, and it has been my approach to the Middle East problem. There were those who said a year and a half ago, for example, that a cease-fire in the area wasn't possible. I believe that the history of the Middle East in many respects has been a history of lost opportunities, and anybody who writes the history will see that there were important junctures at which opportunities were lost. I think that a peace in the area is do-able, I think a peace is achievable. I think that the minimal conditions in the Middle East exist for diplomacy. Terrorism is a problem in the Middle East and elsewhere; the fact that the war ended in 1967 and there's been no substantial progress toward a peaceful settlement is also complicating. On the other hand, people are in the habit of living their lives without the daily incidents across the Suez Canal, and I think this is a positive psychological factor in the area. I think both sides recognize that the political option is much to be preferred to the military option. The military option

makes no sense from anybody's point of view.

Q. And the Egyptians are—

Mr. Sisco: Oh, I think there's greater realism in the Arab world in this regard than in the past. This is confirmed by the fact that not only has the cease-fire been maintained but also the framework of the November 1967 resolution has been maintained. There are, of course, certain extreme elements in the Middle East that are not dedicated to a peaceful solution, but I'm convinced that the voices in favor of moderation, the voices in favor of a political solution, still have an upper hand, and as long as that is the case, I think there's opportunity. And being the optimist that I am, I think peace is achievable. I believe it has to be achieved primarily by the parties. I believe the United States can play a helpful role, but its role by no manner of means should become a substitute for the parties themselves.

U.S. and Belgium Sign Understanding on Passenger Charter Air Services

The Department of State announced on October 17 (press release 264) that representatives of the United States and Belgium had that day signed at Brussels a memorandum of understanding on the regulation of passenger charter air services. The understanding stabilizes an environment which will permit U.S. and Belgian airlines to conduct charter flights without arbitrary restraints, including generally the need for prior approval, and sets forth the regulatory regimes which each side will apply to charter operations of the other's airlines. The understanding is effective from January 1, 1973, through December 31, 1975. One effect of the understanding is to restore to U.S. supplemental airlines authority to operate charter flights between the northeast quadrant of the United States and Belgium. (For text of the memorandum of understanding, see press release 264.)

Assistant Secretary Meyer Signs Andean Pact Loan

Following are remarks made by Charles A. Meyer, Assistant Secretary for Inter-American Affairs and U.S. Coordinator of the Alliance for Progress, at Caracas, Venezuela, on October 10 on signing a \$15 million loan to provide financial and technical assistance to the Andean Development Corporation.

I cannot emphasize too strongly how pleased I am to be here today to participate in the signing of this significant loan agreement between the U.S. Government and the Andean Development Corporation.

This signing represents an important step forward in the implementation of this administration's policy toward Latin America, a policy which, as President Nixon described it in October 1969, is based in great part on a belief that the principal future pattern of U.S. assistance for hemisphere development must be U.S. support for Latin American initiatives and that this can be achieved on a multilateral basis within the inter-American system.¹ I believe that the Andean integration initiative has gained substantial momentum, and I am convinced that the Andean Development Corporation will emerge a truly significant regional lending institution during the decade of the 1970's.

U.S. participation in the loan is further evidence of our sincere desire to establish with you in Latin America a basis for a more dynamic and diversified export potential, an objective which we all recognize as a major prerequisite for sustained growth and for strengthening the private sector in the Andean region. On November 18, 1969, before a special IA-ECOSOC [Inter-American Economic and Social Council] meeting, I stated that Latin America's ability to develop export competence in products on world markets was in many ways linked to the progress

¹ For President Nixon's address before the Inter American Press Association on Oct. 31, 1969, see BULLETIN of Nov. 17, 1969, p. 409.

of its regional economic integration process.² I also reiterated the President's statement that the United States stood ready to provide assistance to regional and subregional groups if our help was needed and was requested. At the time I made these statements, the Andean integration movement had yet to prove its dynamism and capacity for action. In October 1971, however, President Linares [Adolfo Linares, Executive President of the Andean Development Corporation] visited me in Washington and made a very persuasive case for the future of the Andean region. We discussed financial assistance to help sustain the progress and momentum already achieved. As a result, I appointed a team which arrived in Caracas in January 1972 to initiate negotiations. Based on an open and frank exchange of ideas and opinions between this team and Andean Development Corporation management, we are in a position today to take the final step which will make available \$15 million to help satisfy a portion of the future demand of this subregion's private sector. This loan is a clear policy action of partnership.

Just as importantly, this loan demonstrates that while we may differ from time to time with respect to our approaches to development issues and problems, it is possible to find ways to work together to develop a framework for productive and creative cooperation. This loan also demonstrates that the Andean group of countries recognizes the importance of a balanced approach with respect to private and public investment and that increased private investment, both domestic and foreign, will indeed be encour-

aged in the area as an important element in the region's development through the generation of capital, modern technology, new trade opportunities, and employment.

It appears that President Linares' faith has been well rewarded. The Andean integration movement is attracting increased attention by the U.S. press, and indeed internationally, as a dynamic, innovative experiment in regional cooperation. The recent signing of a special program for industrial development in the metal-working sector presents a significant breakthrough. I wish you great success in this exciting adventure to raise production and living standards and revitalize the integration movement in Latin America, and I call upon all other donor nations and institutions to join us in supporting your creative efforts.

Congressional Documents Relating to Foreign Policy

92d Congress, 2d Session

Convention on Ownership of Cultural Property. Report to accompany Ex. B, 92-2. S. Ex. Rept. 92-29. August 8, 1972. 34 pp.

Tax Convention with Norway. Report to accompany Ex. D, 92-2. S. Ex. Rept. 92-30. August 8, 1972. 55 pp.

International Organization of Legal Metrology. Report to accompany Ex. I, 92d Cong., second sess. S. Ex. Rept. 92-31. August 8, 1972. 37 pp.

Amending the Joint Resolution Providing for Membership and Participation by the United States in the South Pacific Commission. Report to accompany H.J. Res. 1211. H. Rept. 92-1314. August 8, 1972. 3 pp.

Universal Copyright Convention. Report to accompany Ex. G, 92-2. S. Ex. Rept. 92-32. August 10, 1972. 6 pp.

² BULLETIN of Dec. 29, 1969, p. 631.

Aspects of International Monetary Reform

Address by Sidney Weintraub

*Deputy Assistant Secretary for International Finance and Development*¹

The general public now discusses monetary issues, perhaps not with precision but not wholly in ignorance either. Professional economists used to feel somewhat protected in this arcane field since they could speak a language others did not understand. President Nixon in his remarks on September 25 to the annual meeting of the International Monetary Fund (IMF) dealt with this idea when he noted that "very little of what is done in these negotiations (on monetary reform) will be widely understood in this country or in any of your countries as well."² What the President said undoubtedly is still true, but much less completely than it used to be. There is nothing like a crisis to begin a process of education. Our political leaders now talk about monetary reform; when is the last time any of you can remember a similar Presidential speech on this subject?

All of this is by way of saying that we have come a long way in the last two to three years in both public and expert perception of the international monetary system. I would like to sketch in some of what has been accomplished. Following that I will discuss some of the future directions international monetary discussions might take. Finally, since the State Department does have some expertise to offer on foreign affairs, I would like to deal with the politics and economics of money—what is behind all the technical

talk of the adjustment process, flexibility, under- and over-valuation of exchange rates, and the like.

Two years ago, in time for the annual meeting in 1970, the Executive Directors of the IMF issued a report on "The Role of Exchange Rates in the Adjustment of International Payments." That report emphasized that "The par value system provides a framework for the maintenance of stability and order in exchange rates which is an essential condition for the expansion and balanced growth of international trade." It went on that "It is a basic principle of the par value system that changes in parities must be related to the correction of a fundamental disequilibrium." It further emphasized that "It is another basic principle of the par value system that a change in the par value of a member's currency be made only on the proposal of the member." The report then gingerly discussed three possible deviations from the par value system; namely, fluctuating exchange rates, allowing substantially wider margins, and adjusting parities on the basis of some predetermined formula which could be applied automatically. The report noted some of the benefits that these modifications could bring, but its emphasis was essentially on the "associated serious drawbacks of these regimes."

Two years later, in time for this year's annual meeting, the Executive Directors of the IMF issued another report, this time entitled "Reform of the International Monetary System." This was a more wide-ranging report,

¹ Made before the Balance of Payments Group of the National Foreign Trade Council, Inc., at New York, N.Y., on Oct. 5.

² BULLETIN of Oct. 23, 1972, p. 457.

and it started out with the assumption that reform was needed rather than the earlier bias that tinkering was sufficient. It then discussed the exchange rate mechanism more evenhandedly than had the report two years earlier. As you know, this latter report also dealt with such issues as convertibility, the settlement of payments imbalances, the role of gold, the role of other assets as reserves, the issue of disequilibrating capital movements, and the importance of monetary reform to the developing countries.

It is instructive to read these two reports side by side. The first was an important one in that it opened issues previously discussed in academic and professional circles to debate in official circles responsible for possible reform. The second report was more important since it dealt with the guts of reform. Between the two reports, we had August 15, 1971, which involved the suspension of dollar convertibility by the United States, and then the Smithsonian agreement of December 18, 1971, which involved both the realignment of exchange rates and an undertaking to consider reform of the international monetary system.³

Agreement on General Principles

To fully comprehend how far reform discussion has come, I would commend to anybody interested in this subject the careful reading of the key speeches made at the recent annual meeting of the IMF. The key countries now agree to certain general principles. These include the following:

The system should be symmetrical in the sense that both surplus and deficit countries have responsibilities for adjustment. The French Finance Minister made the word "symmetry" the touchstone of his address. His idea of symmetry included the aforementioned thought on obligations of deficit and surplus countries, as well as symmetry in the efforts of big and small countries and of industrial and less developed countries, and in avoiding equally inflation and deflation.

The major speakers accepted the concept

of collective creation of liquidity; that is, expanding the role of special drawing rights (SDR's).

There was general agreement that SDR's should become the numéraire of the system.

There was agreement that the IMF must play an expanded role in the future if the adjustment process is to proceed smoothly.

There was agreement that the future system must be more flexible. Most developed countries accepted the concept of wider margins. Most accepted that parity changes should be made more promptly, and hence generally be smaller. Most now accept that there is a place for temporary floats. It is worth keeping in mind that most countries had not accepted these ideas a few years earlier.

On the most practical of all levels, I think there is now implicit international agreement that the United States must be in a position to have better control over its exchange rate.

There is some quarrel over the extent of the balance of payments turnaround the United States needs to return to equilibrium, and whether this should be all or primarily in the trade account, in other elements of the current account, or in the capital account. But there is no disagreement that we need a substantial turnaround and that this will require a process both of internal discipline and international cooperation.

Within official U.S. Government thinking, we also have come a long way. Instead of seeking palliatives to correct persistent U.S. balance of payments deficits, we are trying to deal with root causes.

The world's monetary leaders have ceased digging in to maintain every element of what became known as the Bretton Woods system and are now prepared to discuss altering this in some fundamental respects. And as noted, the world's principal countries have reached some degree of agreement on principles which should guide this reform.

³ For background, see BULLETIN of Sept. 6, 1971, p. 253, and Jan. 10, 1972, p. 32.

Crucial Issues To Be Resolved

What is the future likely to bring? What are the issues? I would like to deal with these first on a general level before getting into some specifics.

Looking at it from the viewpoint of the United States, an essential requirement is to achieve strength in our balance of payments. As I indicated earlier, I think others agree that this is necessary. When we examined the structure of our accounts, both capital and current, we concluded that the principal correction would have to come in the trade account. Others have been reluctant to accept this, since an improvement in the U.S. trade account has implications for the trade position of others.

Industrialists in all countries are people of some influence. The workers they hire are people who collectively have some influence. A declining rate of growth of exports, or an increasing rate of growth of imports, can affect them. Trade issues are sensitive, and they are at the core of many of the technical issues that the Committee of Twenty, which will examine monetary reform, will have in mind.

Another overall issue of significance is the extent to which countries are prepared to allow balance of payments considerations to influence domestic policy. The external sector in relation to total product is great in some countries and small in others. Different countries therefore look at the internal-external relationship differently.

A slowdown in economic activity, and domestic deflation, can mean fewer jobs; and no country can ignore this fact. Differential interest rates can result in capital movements, and these in turn can affect domestic policies. All of these issues must be reconciled, keeping always in mind that domestic well-being must be at the heart of the policy of any political leader.

The Bretton Woods system worked well, when it did, as much because of the role played by the United States as any other single reason. The United States is neither able nor willing to play a comparable role in

the future. Our suspension of convertibility, and our clear statement that we are prepared to restore convertibility only as part of a satisfactory overall system, is one overt monetary manifestation of this changed U.S. role.

In addition to this, the United States and others have advocated a monetary system in which adjustments are made more promptly than in the past. We have suggested that one key determinant of the need for adjustment is the changing level of reserves. Others prefer many more indicators or using something akin to the present concept of fundamental disequilibrium. In any event, if the United States does not take the same central role in making the system work, and if more initiative from some central source is needed to smooth the adjustment process, then some country or group of countries or some institution must have a greater role. At the moment the principal candidate is the IMF. And this in turn raises issues of philosophy and sovereignty. It raises questions of what we mean by the IMF, how much initiative it is to have, and how it is to exercise this initiative.

I think the foregoing three points—changing trade positions, scope for internal economic policies, and the substitution for the United States by some collective authority to make the system work—are crucial ones. There is not necessarily international agreement on resolving these issues.

Significant Technical Problems

There are, in addition, many technical aspects of reform on which countries disagree. A general principle is all well and good, and indeed important; but its translation into an operating practice may involve the well-being of countries and individuals, and therein may lie the rub. Let me deal with some of the specifics.

I noted earlier that the United States, in Secretary Shultz' speech to the IMF, suggested that fluctuation in reserve positions is the "most equitable and effective single indicator we have to guide the adjustment proc-

ess.”⁴ Other speakers at that same meeting rejected this, some on the grounds that automaticity in exchange rate changes could not be accepted—which, incidentally, knocked down a proposal the United States never made. But more to the point, they were uncertain as to how this criterion would affect actions they might have to take. We should expect a good deal of international debate on the use of this criterion, or other criteria, for guiding the adjustment process.

The United States has suggested that when countries in disequilibrium repeatedly refuse to take necessary adjustment measures—not just exchange rate changes, but a composite of measures, which could include the exchange rate, domestic policy, trading practices, and the like—there should be some penalties attached to this. This is a sensitive point. We suspect that the concept of penalties against malingerers is an essential point, but others disagree. As a philosophic aside, I believe that if penalties have to be invoked against major countries, this could mean that the cooperative system had broken down. Penalties are like military retaliation—they are good when countries know they can be used but when they are in fact not used.

Our own philosophic construct is for a world as free as possible of restraints on trade, other current account items, and capital movements. Other countries are deeply concerned with disequilibrating capital movements and see a role here for direct controls, as well as indirect measures such as wider bands, which we have advocated, to help meet this problem. Many countries tend to be dirigiste in outlook and also see a role for controls on long-term capital movements. This range of issues obviously must be resolved.

The United States has stated that while neither trade nor monetary negotiations need be delayed because of the other, the two clearly are linked. Surplus countries, for example, can adjust by reducing import barriers, as well as by appreciation of their exchange rate. Countries sometimes insulate part of their trading structure from ex-

change rate changes, thereby complicating the adjustment process. This closer link between trade and money has concerned many countries because they are not sure what its practical meaning will be. As a minimum this link will require close coordination between the IMF and the General Agreement on Tariffs and Trade.

Developing countries see another link as being central—that between the creation of SDR's and the provision of development finance. I will not now try to rehearse all the arguments for and against the SDR-aid link, but quite clearly this will be an important issue in the negotiations.

The role of gold will likely diminish in any future system, particularly as the world moves more and more to an SDR-based system. The role of national currencies as reserves is likely to diminish, although how quickly this latter will take place is unclear.

The issue of convertibility is on everybody's mind. One aspect of this is consolidation of what may now be excessive dollar, sterling, and other national currency official balances.

I have not even touched on the operation of the intervention system, which is a technical point of significance. Giving the dollar in practice the same margins as other currencies is similarly significant, and this is related to the intervention system.

I have barely skimmed the surface of technical points, in part because all of you are familiar with them and in part because the discussion of each would require more time than I am permitted. The reform negotiations will be technical negotiations. They will deal with convertibility and reserves and adjustment and intervention. But as complicated as these issues may be, they are the easiest aspect. The complex part is to agree on what we collectively want from monetary reform. To coin a cliché, money is a means, well-being is the end.

There has been increasing internal debate in the United States regarding many of

⁴ For Secretary of the Treasury Shultz' statement on Sept. 26, see BULLETIN of Oct. 23, 1972, p. 460.

our external commitments. These are reflected in the annual debates on foreign assistance. This uncertainty arises regularly with respect to the level of troops we maintain in Europe. Our unease is reflected in the growing strength of trade protectionism and criticism against foreign investment by U.S. companies. These issues—aid, military security, trade relations with others—are the very basis of foreign policy. August 15 signaled a change—that we intended in the future to behave more like a competitor and less like a savior. Some U.S. leadership is still necessary. Indeed, everybody waited for the speeches by the President and Secretary Shultz to set the tone for the monetary reform negotiations. But the substantive content of these speeches made clear that we no longer seek to dominate.

The adjustment process is a foreign relations issue of substantial significance. Our weak balance of payments position already has had an adverse impact on our provision of aid and therefore on our relations with the developing countries. The Europeans are conscious of the influence our balance of payments has on the way the Senate votes on the successive Mansfield amendments calling for a progressive reduction of the level of our troops in Europe. The Japanese press reacted sharply, and with concern, to the suggestion in Secretary Shultz' speech that surcharges might be imposed on a surplus country which did not adjust; they saw this as potentially directed against Japan. The Canadian press picked up that portion of Secretary Shultz' speech which indicated that a country that refrained from setting a central value for its currency beyond a brief period should be required to observe stringent standards of behavior; the Canadians felt this was directed at them. The European Common Market countries reacted well to our suggestion that countries moving toward monetary union might wish to have narrower bands among themselves than with other countries, because they saw in this our understanding of their aspirations.

The cooperative relationships that have

grown since World War II are in great part a consequence of the agreements reached at Bretton Woods. A well-functioning monetary system, a smoothly functioning adjustment process, can foster cooperative political and military relations. A smoothly functioning adjustment process can minimize domestic unemployment problems. A smoothly functioning adjustment process can help the richer countries meet the needs and desires of the poorer countries for greater trade and greater development assistance. A smoothly functioning adjustment process can open the world to the interchange of goods and services and capital.

These are issues all foreign ministries must keep in mind. It is such issues which explain why the technical issues, as important as they are, are merely the means by which deeper issues are approached.

TREATY INFORMATION

Current Actions

MULTILATERAL

Agriculture

Convention on the Inter-American Institute of Agricultural Sciences. Done at Washington January 15, 1944. Entered into force November 30, 1944. 58 Stat. 1169.

Adherences deposited: Canada (with a reservation), October 4, 1972; Jamaica, September 20, 1972.

Biological Weapons

Convention on the prohibition of the development, production and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow April 10, 1972.¹

Ratification deposited: Ireland, October 27, 1972.

Narcotic Drugs

Protocol amending the single convention on narcotic

¹ Not in force.

drugs, 1961. Done at Geneva March 25, 1972.¹
Ratified by the President: October 24, 1972.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annexes. Done at Washington August 20, 1971.¹

Accession deposited: Nigeria, October 25, 1972.

Operating agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annex. Done at Washington August 20, 1971.¹

Signature: Ministry of Communications and the Nigerian External Telecommunications Limited of Nigeria, October 25, 1972.

Seabed Disarmament

Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the seabed and the ocean floor and in the subsoil thereof. Done at Washington, London, and Moscow February 11, 1971. Entered into force May 18, 1972. TIAS 7337.

Ratification deposited: Turkey, October 19, 1972.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow March 29, 1972. Entered into force September 1, 1972.²

Senate advice and consent to ratification: October 6, 1972.

BILATERAL

Greece

Agreement relating to the status of U.S. Navy personnel and the establishment of a Joint Standing Committee. Effected by exchange of notes at Athens September 1, 13, and 29, 1972. Entered into force September 29, 1972.

¹ Not in force.

² Not in force for the United States.

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Address requests direct to the Superintendent of Documents. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders.

The U.S. Role in African Development. The material in this pamphlet in the Current Foreign Policy series is derived in part from recent statements by David D. Newsom, Assistant Secretary of State for African Affairs. Pub. 8663. African Series 52. 8 pp. 10¢.

The United Nations in '71. This leaflet briefly outlines the major topics that were taken up by the U.N. 26th General Assembly from September 21 to December 22, 1971. Pub. 8664. International Organization and Conference Series 102. 10¢.

World Data Handbook. This Current Information Supplement to the Issues in United States Foreign Policy series provides statistics on more than 160 countries and territories of the world. Pub. 8665. General Foreign Policy Series 264. 19 pp. 25¢.

Military Assistance—Deposits Under Foreign Assistance Act of 1971. Agreement with Portugal. TIAS 7349. 5 pp. 10¢.

Military Assistance—Deposits Under Foreign Assistance Act of 1971. Agreement with Liberia. TIAS 7350. 3 pp. 10¢.

Agricultural Commodities. Agreement with Pakistan. TIAS 7357. 7 pp. 10¢.

Agricultural Commodities. Agreement with Indonesia. TIAS 7358. 3 pp. 10¢.

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Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Releases issued prior to October 23 which appear in this issue of the BULLETIN are Nos. 264 of October 17 and 270 of October 20.

No.	Date	Subject
*271	10/27	Meeting on Oct. 30 of Advisory Committee of the Foreign Service Institute.

*Not printed.

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THE
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BULLETIN

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November 20, 1972

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXVII, No. 1743

November 20, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

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U.S. and U.S.S.R. Sign Agreements on Trade and Lend-Lease

The U.S.-U.S.S.R. Agreement Regarding Trade and the U.S.-U.S.S.R. Agreement Regarding Settlement of Lend Lease, Reciprocal Aid and Claims were signed at Washington on October 18. Following are the transcript of a news conference held by Secretary Rogers and Secretary of Commerce Peter G. Peterson at the White House that day, a White House fact sheet, the text of the trade agreement and related letters from Secretary Peterson to Soviet Foreign Trade Minister Nikolai S. Patolichev, the text of the lend-lease agreement, and the text of a Presidential determination making the U.S.S.R. eligible for credits from the Export-Import Bank of the United States.

NEWS CONFERENCE OF SECRETARY ROGERS AND SECRETARY PETERSON

White House press release dated October 18

Secretary Rogers

Mr. Ziegler [Press Secretary to President Nixon]: The United States and the Soviet Union today have signed an agreement on trade and lend-lease. Secretary Rogers is here to offer some remarks on the agreements. He will do that before Secretary of Commerce Peterson briefs you on the agreements which have been reached and take your questions.

Secretary Rogers: Thank you, Mr. Ziegler.

Let me say, ladies and gentlemen, that we have just completed a meeting with President Nixon and the Soviet Ministers who are here, about the agreements that have been signed today. I can say that the President very much welcomes these agreements as

concrete examples of the results of the summit meeting.

I was interested to notice that the Soviet Minister said that he thought it would be difficult to exaggerate the importance of these agreements. In the discussions, it was also pointed out that the success that has resulted, as reflected in these agreements, to a considerable measure was because of the personal and direct involvement of President Nixon and Mr. Brezhnev [Leonid I. Brezhnev, General Secretary of the Soviet Communist Party].

Of course, Secretary Peterson, who has carried the laboring oar as far as the negotiating process is concerned deserves great credit, as does his Under Secretary, Mr. [James T.] Lynn, and Assistant Secretary of State Bill Armstrong, who has conducted the negotiations on lend-lease.

Let me say there are really three agreements here, which Mr. Peterson will explain in some detail. In the broad sense, they involve, first, the settlement of the lend-lease debts. This is a problem that has plagued the Soviet Union and the United States since World War II. It has been a serious barrier to better relations between our two countries. We think that the resolution of this problem is a good one for both countries. We do not think it is to the disadvantage of either. It does settle this difficult problem resulting from World War II.

Then we have signed an agreement on trade which we think holds great promise for very improved economic relations between our two countries.

And, of course, we have an agreement on credit which will permit exchange of credits

between the two countries, and I believe will benefit American working men and women and American business both, because I think it will greatly increase the trade between our two countries.

Now, I wanted to say, though, that we do not look upon these agreements as agreements which carry economic implications only. They are very important agreements in the economic field, but they have much greater significance. They are a natural follow-on to the summit meeting and I believe will improve the climate greatly, which will permit improved relations between our two countries in the political field.

I know that although we are very happy that these agreements augur well for greater trade between our two countries and the elimination of some of the difficulties we have had, the fact is that they are very significant steps in the direction of better political relations between the Soviet Union and the United States.

Of course, what that means in terms of the American people is that it provides a much better opportunity for peace in the world. In the final analysis, what the President is working for, the reason he took the trips to Moscow and Peking, the reason that we have worked so long and diligently to complete these agreements, is because he is anxious to create a climate for peace. I think the agreements that we have signed today do exactly that.

I hope that they will contribute, as the President hopes they will, to the possibility of a generation of peace.

Thank you.

Q. Mr. Secretary, does this mean that a most-favored-nation (MFN) status for Russia, that it would be submitted to Congress and be pushed for before any of the other eastern European countries are granted this?

Secretary Rogers: I ought to let Mr. Peterson answer those questions. I want to merely say on that point that the words are misleading. What we propose to do is to elimi-

nate the discrimination that has been involved in our trade with the Soviet Union.

The fact of the matter is that the present situation discriminates against the Soviet Union. One of the reasons for the discrimination is because we have had the problem of lend-lease since World War II that we have not been able to solve. Now that we have made an agreement, an agreement which provides a payment of \$722 million to the United States over a period of years and settles this difficult problem, we would like to have the discriminatory tariffs which have been directed against the Soviet Union removed.

Q. Mr. Secretary, two-thirds of the Senate have put themselves on record as opposing ending discrimination against Russia unless they end discrimination against certain persons wishing to leave. How are you handling that problem?

Secretary Rogers: We are going to handle that, Miss Berger [Marilyn Berger, Washington Post], through the channels we have been using. We think the channels of quiet diplomacy hold out the greatest promise for success. I have had several meetings with the Jewish leaders in the country, and I think there is a general feeling that the conduct of the administration, what we are doing in the field of quiet diplomacy, holds the greatest promise of success; and after all, that is what we are all interested in, so I have nothing further to say on that today.

Thank you very much.

Secretary of Commerce Peterson

We believe that this trade agreement and lend-lease agreement ends a 25-year hiatus in normal commercial relationships with the Soviet Union. We believe it begins a new era that not only has significant peace dividends but very substantial economic dividends for our country.

What are these economic dividends? First of all, in the lend-lease settlement, our coun-

try will receive at least \$722 million, perhaps as much as \$759 million; in short, three-quarters of a billion dollars in lend-lease debt. This has been an unresolved problem for 25 years.

I am pleased to tell you that by any standard we have been measuring it, it compares very favorably indeed, in terms of the United States, with the settlement that was made with the British.

A second economic dividend is several hundred million dollars' worth of exports that we believe will be forthcoming in the relatively near future. The trade agreement provides for a minimum of tripling our trade over the three-year period to a level of at least \$1½ billion.

It was interesting that Minister Patolichiev of the Soviet Union just told the President that tomorrow they plan to place orders for some 60 million dollars' worth of American products and equipment.

A third economic dividend is in the field of the balance of trade. By all of our projections, it should have a very positive effect on our balance of trade. I would project that over the next few years the positive effect should be at least a few hundred million dollars in our favor and the thousands of jobs that go with that kind of balance.

But even beyond that, the goods that we are likely to export to the Soviet Union are products like machine tools, earthmoving equipment of various kinds, consumer goods, grain products, which are characterized by what the economists call high-labor-intensive products. In plainer language, jobs.

On the import side, we plan to import substantial amounts of raw materials which we need, energy which we need; clean energy, I might emphasize. But here, again, with low labor content. So I think it is safe to predict that in addition to having a favorable balance-of-trade surplus, the evidence I think is very persuasive that we will have an even more favorable balance-of-job surplus.

Before going into the substance of the

agreement, I would like to review very briefly with you a few of the principles by which the President had suggested that we conduct ourselves during these negotiations.

First, we must remember that this is an economic deal between the two greatest powers in the world, not only militarily but economically. Therefore, a spirit that we wanted to pervade these arrangements was one of reciprocity, one of equal treatment. Therefore, as you read the agreement on credit, on business facilities, you will see that emphasis is placed on removing barriers, on removing discrimination.

Secondly, we were to be guided in our negotiations by the understanding that while our two economies are the world's two largest economies, they are also two of the most different. They have different philosophies, different ways of doing business, and different degrees of political oversight. Moreover, our two countries are, by and large, party to only a very few of the same legal conventions which set the parameters for trade activity. Therefore, we were confronted with the challenge of tailoring a legal framework, which we tend to take for granted when we are trading with other countries. In short, we had to create some new mechanisms for dealing with new problems.

A third principle by which the President asked us to conduct ourselves during these negotiations was the principle of a comprehensive agreement. Frankly, it would have been a relatively easy matter to have signed a simple trade agreement that simply included the issues of lend-lease, Exim credit, and the removal of discrimination on tariffs. But the President's view has been and is that no agreement should have been entered until it dealt with the full range of issues, unless it anticipated and provided answers to the basic questions that might later be raised.

In short, we wanted to insure that today's commercial triumphs would not become tomorrow's political irritant. That is why we held out on the settlement of the lend-lease

question. That is why we insisted on agreed method of handling market disruption. That is why we have insisted on establishing rules for the establishment of business facilities for the U.S. businessmen in the Soviet Union. That is why, incidentally, we have wanted to be sure that this agreement provided for acceptable methods of arbitration of future disputes.

We believe the agreement we have now signed is comprehensive enough for us to do some real business. We believe that most of the essential and fundamental problems have been taken care of. This is not to say that this is a constitution that we expect to govern trade relations ad infinitum, but it does bring me really to our fourth principle, which is to remember that for 2½ decades we have had, in effect, a nonrelationship.

This could not be replaced overnight with the kind of relationship that we have with such major trading powers as Japan, Canada, and western Europe. We see this as an evolutionary document, a sort of working prototype, as is indicated by the fact that there is a three-year term on the agreement. We expect, however, as time goes on, to make modifications that experience tells us are indicated. In short, this agreement is not an ultimate destination, but we believe it is a giant step on our journey.

We believe that most of the issues that we have been talking about now for several months have been very satisfactorily resolved, even in the area, for example, of copyrights, which we think is an important area since it involves the field of intellectual property, and it has been our position that as we broaden our relationships some of the same kinds of principles that apply to intellectual property should apply to commercial property.

Even here I was very pleased with the substantial progress that our work groups had made, as on the question of tax treaties. By the time of our next meeting, I would expect even more progress on that score.

I would now like to take you briefly through the main provisions for those of you who have not had an opportunity to study the

fact sheet. Then, of course, we can take your questions.

On the question, first of all, of tariffs, removing the discrimination, providing equal treatment for the Soviet Union, the President's plan is to submit legislation to the Congress of the United States early in next year's session. I might mention the meaning of this discrimination in tariff treatment in language that some of us in this room might understand better than the language of the trade economist.

I have picked vodka as an example that I thought might be of interest to some of you in the audience. The current tariff on vodka is \$5 a gallon. If we were to provide the Soviet Union with equal tariffs as other countries pay, it would be \$1.25 a gallon, or one-fourth of what it is now. There may be a few of you who enjoy caviar. Those of you who do will be happy to know the tariffs will be reduced from 30 percent to 15 percent.

One of the very important and difficult aspects of this negotiation has been how to recognize the fact that we are dealing here with a state trading monopoly, a government that controls both the imports and exports of products more or less absolutely. We are also dealing with a different economy in the sense that pricing and cost have quite different meanings in their economy.

We have felt for some time that it was essential, particularly in view of the fact that the Soviet Union does not belong to the same international trade organizations that we do, to have special provisions to handle problems of market disruption. We have provided you with a copy of the trade agreement and the letters that relate thereto, and you will see that the United States has the authority under this agreement to take necessary steps where there is evidence of situations that will either cause or threaten or contribute to the disruption of our domestic markets. Again, in the spirit of reciprocity, the Soviet Union, of course, has a similar right.

In the field of credit, which has been a very important matter of negotiation for

some time, the President just signed the determination that provides that the Soviet Union is now eligible for Exim credits. We have also taken the position, as some of you know, that this was the time to negotiate reciprocal credit. You will see a reciprocal agreement on credit where importers of Soviet products into the United States will have access to credit using a set of guidelines that has now been clarified.

We have long had a very substantial interest, both the Soviet Union and the United States, in the whole area of expanding business and commercial facilities. First, at the government level, the Soviet Union has been on a quest for some 40 years to open up trade representation offices in the United States. In turn, the United States has also felt that in this new era our interests would definitely be served by having expanded commercial offices.

We are pleased to say that a totally reciprocal arrangement has been arrived at on that point, and we think it will make a significant contribution to the expansion of trade.

At the private level, we have business facilities for our private firms. There have been, frankly, two problems here, broadly speaking. The first has been the quantity of facilities that have been available. The shortage has created some tensions and frustrations from time to time, and I think we mutually felt that one really constructive step that could be taken was to expand those facilities in a major way.

The Soviet Union has agreed to build a large trade center complex which will include offices, hotels, apartments, and communications facilities where our business people can have a highly acceptable arrangement.

Now, in addition to that problem, there has been the question of accreditation of our companies. The Soviet Union has agreed not to discriminate, to give the United States equal treatment with regard to the availability of business facilities, and perhaps as important, they have for the first time provided us with very specific guidelines on

some of those small things that, again, can be irritating unless they are resolved—the whole area of communications equipment, business equipment, automobiles, all kinds of arrangements for the conduct of business.

Another area that was indeed one that challenged all of us was the subject of arbitration. Now, many of you, I know, in the room are experts on the Soviet Union. You will notice that for some 40 years the Soviet Union has relied very heavily on their domestic Foreign Trade Arbitration Commission. It has been the position of the government, particularly given our size and our relationship to one another, the kinds of projects that we are discussing, that it would be extremely desirable that we encourage third-party arbitration. We are pleased to say that an arrangement has been worked out in that regard. We consider this unprecedented step really a significant—I would have used the word “breakthrough” if it has not been overused from time to time.

On the question of lend-lease, I think most of you have at least some of the background. I can give you the results, and then Mr. Armstrong and Mr. Lynn and others can answer detailed questions you might have.

The agreement provides for payments of \$722 million, ending July 1, 2001. The agreement allows the Soviet Union to take up to four deferments, or the word the Soviets use is *otsrochka*, as some of you may know. We all heard this word from time to time in the course of the negotiations. There are two conditions: First, if any postponements are taken, there will not be an extension of time offered past the year 2001; that is, regardless of the time the postponements are taken, and when, all the money is due by 2001. Secondly, the interest rate will be at the rate of 3 percent.

Now, if we look at this total settlement, and this is one of the reasons we believe it is a very good settlement from our standpoint and a fair settlement from the standpoint of the Soviet Union, we have in our fact sheets a good deal of specific material, but you will see in that fact sheet that the United Kingdom had in total about \$21½ billion of all

kinds of lend-lease aid and the Soviet Union about half that, or \$11 billion. If we take the total payments that we expect to accrue from this agreement prior to the year 2001, you will see that the Soviet Union will pay slightly more than did Britain in total.

One of the issues was whether there should be a grace period or not. Britain has a grace period. The view that we thought was a reasonable one was that, in effect, the last 20 years might be considered to be a grace period of sorts and that there was really no logical rationale for extending one.

With regard to the due date, as I have indicated, in the case of the British settlement it is the year 2001 plus the number of deferments. In the case of the Soviet Union, it is 2001 without extension.

With regard to the interest payments, without deferments it is 3 percent with the Soviet Union, an effective 4 percent taking the postponements factor into account. I say this sympathetically; this question of interest rates has been a very sensitive one and it is for a variety of reasons.

In the first place, in the Soviet economy we must recognize that it is an economy in which the interest rate on consumer credit items, for example, is only about 2 percent. Savings account rates are only about 3 percent. I need not tell some of you who are buying various products that under these circumstances, these rates are lower than what we are accustomed to in this country by a large margin.

In addition, it is clear that the issue of the Second World War is undoubtedly not only one of historic importance but one that is certainly not devoid of personal and emotional content. We think that the settlement we have arrived at here is one that represents a fair compromise.

I indicated earlier the progress we are making on copyrights and tax treaties. A word about the Commission, if I may, and where we go from here. Incidentally, I hope it is something more, I believe it is, than bureaucratic parochialism, if that is not a redundancy, to say a few words about my associates.

It is hard for me to praise too much the enormous contribution of my Under Secretary, who is Vice Chairman of the Commission. He did a superb job in every respect and was absolutely indispensable in these negotiations.

Also, I am very proud of the contribution of the Assistant Secretary of Commerce, Mr. Andrew Gibson, who headed the trade group and did so much to get a satisfactory settlement there.

Bill Armstrong is available for questions on lend-lease. Secretary Rogers referred to him. He played a principal role in what we consider to be a satisfactory settlement of the lend-lease arrangement.

Mr. Jack Bennett, Deputy Under Secretary of the Treasury, who has been doing a good deal of the work on credit arrangements, tax treaties, and joint products. We are very appreciative, Jack, of your contributions.

We have with us, I believe, Mr. Jim Mitchell from my old hometown in Illinois, which is not an enormous distinction to many except to me, and Jim has played a very important role as General Counsel.

Steve Lazarus is here as Executive Secretary.

Here is Charlie Brower, who headed the copyright and tax treaty task force and in general was a most valuable ally in this important cause.

We will now take your questions.

Q. Mr. Secretary, did the Soviets at any time link receiving most-favored-nation status for their goods with payment of lend-lease debt?

Secretary Peterson: They not only did it at one time; they linked it continuously throughout the entire negotiations.

Q. May I follow that up? As the agreement stands right now, they will be paying the entire lend-lease obligation regardless of the disposition of Congress?

Secretary Peterson: No, that is not the case. If you read the fact sheet, you will see that we got a \$12 million check today, which

we were not displeased to accept, and there will be a \$24 million payment and another \$12 million payment and then the so-called equal annual payment, presuming the passage of MFN, the granting of MFN. We have a very specific set of linkages between MFN and payment of lend-lease.

Q. Early this year the administration criticized the Soviet Union for being the chief supplier of North Viet-Nam. The Soviet Union is still the chief supplier, and the war is still going on. Presumably the trade agreement at this time would facilitate the chief supplier to supply them. How do you reconcile these two positions?

Secretary Peterson: What supplies are you talking about?

Q. Military hardware.

Secretary Peterson: I know of no evidence at all that military products are being supplied to the Soviet Union. We have Mr. Sonnenfeldt here, who has been a brilliant adviser and whose foot is probably large enough to put in his small mouth. I would love to have him handle this, if he will.

Mr. Helmut Sonnenfeldt (National Security Council staff): I can only agree with what you said. There are no military goods going to the Soviet Union under any of these agreements. Our export controls remain in effect, and references to national security considerations are contained in the trade agreement.

Q. We didn't say that trade went to North Viet-Nam. That is not the question. The question is, What about the military goods from Russia that have gone in the past? Do you deny that any have gone? You said could we prove it. Do you have any—

Secretary Peterson: We have export controls that operate in the following way: Products that leave the United States in the first place must be accompanied by a statement that the person receiving them accepts that the products included there are not going to a list of specified countries. From time to time we check into these shipments

to be sure that is the case. We are not aware of any such ships that have taken American products to the ports you mentioned.

Q. You are not aware of ships that take them?

Secretary Peterson: We are not aware of products in ships that have left the United States that have gone to North Viet-Nam.

Q. Mr. Secretary, what happens after three years, at the expiration of this agreement? Will negotiations continue in the interim?

Secretary Peterson: We will have the exciting, stimulating experience of continuing this process of the last six months. It is our expectation that the agreement will continue. If you will read the agreement—we are making it available to you—there is a specific provision for consultation on extending the agreement further.

Q. Mr. Secretary, on lend-lease, two questions: Even though it does not say specifically how much interest is being paid, can you say what the American view is of the amount or percent of interest that is included in these equal annual payments; and secondly, on the pipeline figure, as of December 31, 1971, I was told they paid \$76 million so far. You have \$199 million here. Have they paid that amount since December 31?

Secretary Peterson: I have an indisputable source. The figure I got this morning was \$199 million. Is that right, Bill?

Q. On the point, can we separate principal from interest in this final agreement?

Secretary Peterson: It is very difficult to do, to separate the two. One of the reasons, quite frankly, is that the subject of interest is one that is so sensitive that I think undue preoccupation with that would have made the discussions even more protracted and difficult than they were.

So, what we finally came to was the following formulation: From our standpoint it seemed to us that at least a model that we

wanted to compare this to was the British settlement. We looked very carefully at what kind of products Britain got, how many in various categories. We looked at the comparable information with the Soviet Union, and from that it was possible to extract at least a range of what would be an appropriate principal payment, or what one might call a principal payment.

I think on the question of interest we are not discussing a specific interest figure. Those of you who want to energetically go through the process I described can perhaps make your own estimates. But we have felt that in the interest of eliminating this particular point of conflict and undue speculation that it was far better to deal with a total global sum, and that is what we have done in the agreement. But we are fully satisfied that the agreement, as I have indicated, is at least as favorable as the one that the British signed.

Q. Mr. Secretary, you were quoted as saying that you were under instructions not to refer to the Jackson amendment in regard to negotiations with the Soviet Union on trade. Is this accurate, and if so, who gave you the instructions?

Secretary Peterson: I don't ever recall being quoted as having said that.

Q. You are quoted in the New York Times the day after 76 or 74 Senators had sponsored this amendment.

Secretary Peterson: This would be a terrible forum for me to comment on the credibility of the New York Times. I don't remember either having made such a statement or having been given such instructions.

Q. Mr. Secretary, how many nations, and at least some examples, will now be left without most-favored-nation treatment after it is extended to the Russians?

Secretary Peterson: Poland and Yugoslavia have it. Mr. Armstrong, do you know?

Mr. Armstrong (Assistant Secretary of State for Economic and Business Affairs): The other eastern European countries don't

have it, and of course, China and North Korea and North Viet-Nam.

Q. What parts of the two agreements have to be approved by Congress, just the most-favored-nation?

Secretary Peterson: The tariff arrangements that provide for removing the discrimination do require congressional approval. It is the President's current intention to submit that early in the year. The lend-lease agreement does not require that approval.

Q. Mr. Secretary, may I follow up on the reference to the Jackson amendment? Was there at any time any discussion in any context of the question of Soviet emigration policies in the trade negotiations?

Secretary Peterson: It was not a subject of formal negotiations or formal discussion in that sense. We find the Soviet Union a careful reader of your media, and they informed us from time to time that they were aware of the fact that there were some views on this subject expressed most explicitly in Congress. But it was not a matter of negotiation or intensive discussion on my part at least.

Q. Do you have any reason to be encouraged from their comments?

Secretary Peterson: I think I should leave that entirely to Secretary Rogers, Mr. Kissinger, and the President. I believe they believe with good reason, I am sure, that the quiet diplomacy approach is the right one.

Q. Included in the provisions that you have to send to Congress, am I correct in assuming that the fur embargo, the embargo we now impose against Russian fur imports to this country, are included?

Q. Mr. Secretary, your figure on trade over the three-year period of \$1.5 billion, I assume that that is a two-way figure and also does not pick up and include any of the agricultural exports we have already sent to the Soviet Union?

Secretary Peterson: I welcome the oppor-

tunity to clarify that. This particular provision has been the subject of discussion for some time prior to the very large grain deal. You must remember that we anticipate that the agreement will take effect at the time that MFN goes into effect. By that time one might expect at least that this unprecedented volume of grain that we are now shipping will have been reduced to more normal levels.

I think the answer to your question is that it is anticipated that that kind of extraordinary amount of grain would not be included.

Q. Does the \$1.5 billion figure refer to the 1974 level or the aggregate?

Secretary Peterson: No. It is an aggregate over three years. It is clearly a minimum. It is clearly a number that if we did not think we could exceed it we would not have put it in the agreement. I will remind you that the volume between 1969 and 1971 was about \$525 million, roughly, over that period. So, we are tripling it over the three-year period.

Q. How much exports, how much imports?

Secretary Peterson: We have not made those projections. In the first place, we could not have explicit understandings on that score, obviously, since in our kind of economy it is impossible to make that kind of projection. If you will look at our trade balances, if you will look at the kind of products we import from the Soviet Union, you will find that they are predominately raw materials of various kinds. The very large projects being discussed, such as the gas products, will be several years if they do materialize. Therefore it is hard to anticipate that those import numbers would jump precipitously. We have had a favorable trade balance of about a 3-to-1 ratio. I would expect to see our exports go up substantially, not only through grains but through large purchases of machinery and equipment.

Our expectation is that we could continue to have a ratio on that order of magnitude and that the positive trade balance could easily be in the order of a few hundred million over the next several years.

Q. Two questions based on page 3 of your fact sheet: First of all, do we take it that you have not reached an agreement on third-country-supervised arbitration?

Secretary Peterson: No, you may take it we have reached an agreement.

Q. Why do you say then, the encouragement of?

Secretary Peterson: Well, what this provides is that we are dealing obviously with private companies, some of whom may not want to have arbitration. All we are doing is setting a legal framework, an institutional mechanism in which the private sector can work by negotiating something that says this kind of arbitration will be encouraged. We are in a sense making it easy, efficient, a subject that will not require negotiation, in other words, if that is what the company chooses to want. I don't think we could require arbitration here. At least it would seem a bit presumptuous for us to do that.

Q. The Russians are quite willing, therefore, to have third-country arbitration?

Secretary Peterson: They have stated formally that they will encourage this kind of arbitration. The obvious inference from that is that if an American company expresses a wish to have arbitration and third-party negotiations, the Government of the Soviet Union has said in writing that they will encourage that and find it very acceptable.

Q. Then the other agreement provides an exception for each side relating to national security interests. What does that mean?

Secretary Peterson: We have, for example, at the present time, a variety of provisions, first administratively and then legislatively, to deal with national security. We have export control laws that clearly limit proprietary products that might make a significant military contribution. What we are suggesting here, and what we wanted to make very clear, is that we continue to have that right and nothing in this agreement modifies that at all.

As a matter of fact, it was not even nego-

tiated. There is also other legislation which deals with national security provisions. Incidentally, these are provisions many countries have. This was our way of simply making clear that in the event we thought our national security interests were affected by a product transaction, we were free to impose that provision.

Q. Mr. Secretary, what about the travel restrictions? There is no mention at all in the agreement of that, yet one would assume that if you are going to have increased trade you would want to discuss the question of travel restrictions that now provide for under 25 miles outside of Moscow and 40 kilometers. We have several restrictions. Were those discussed?

Secretary Peterson: Both Mr. Brower and Mr. Gibson were involved in that.

Mr. Brower (Deputy Legal Adviser, Department of State): The existing travel restrictions will continue to apply as heretofore. Since the principal officer and other officers, for example, of the Soviet trade representation to be established in Washington will be an integral part of the Soviet Embassy and will have diplomatic privileges and immunities, they will be subject to the same restrictions, also. There is no change in that scheme.

Q. What about our people? How can you do business when you cannot move around the country?

Mr. Brower: There is no change in the scheme, so far as I am aware, from either side.

Q. Did you negotiate that or did that come up, and if not, why didn't it?

Mr. Gibson (Assistant Secretary of Commerce for Domestic and International Business): Of course they can move around. They require permission to do so. This has been a matter of considerable discussion, but at the present moment there has been no change in the existing regulations.

Q. Mr. Peterson, there was quite a bit

made before the Republican platform at the National Convention about the export of technology by your Department to the Soviets, and charges have been made by one of the presidential candidates that considerable of this technology that we have exported to Russia has shown up in North Viet-Nam by way of military equipment captured, planes, tanks, and guns that had special devices on them that came from our technology. Does this trade agreement continue the export of technology?

Secretary Peterson: I would put the answer a bit differently, if you don't mind. This agreement provides the United States with the unilateral right to continue to have export controls of all types for the protection of its national security. It in no way impinges on that right to do so, and we intend to continue to do so.

Q. Mr. Secretary, would you say that it is inaccurate to say that the principal you worked from was \$500 million?

Secretary Peterson: I would say it was extraordinarily inaccurate to say that the principal was \$500 million.

Q. At the time of the grain agreement with the Soviet Union and subsequent thereafter the Soviets bought an inordinately large amount of grain at a faster rate than we anticipated, which led to certain domestic and political problems involving a grain deal, so-called. Are there any provisions or was any consideration given or was it necessary to protect American producers against that same sort of thing that is occurring now in the trade and technology field?

Secretary Peterson: Most American manufacturers, assuming that it is not on the export control list, are rarely troubled by the Soviet Union buying more product than they anticipate. We would not visualize putting any restraint on how much the Soviet Union can buy.

Q. The several-million-dollar deal you just mentioned that you said the Soviets were

going to enter into in the next couple of days, which companies would benefit?

Secretary Peterson: One of them is in the earthmoving equipment field. I think we should let the Soviet Union make their own announcements after they have made their final decision. But I understand it is earthmoving types of equipment.

Q. So they have been negotiating this deal as it is being announced to us today?

Secretary Peterson: I want to make something very clear. The Soviet Union has not needed Exim credit to make deals. If you will look at the grain deal, the latest information I have seen is that only about 200 million dollars' worth of credit was used out of the \$1 billion of purchases. The Soviet Union is quite capable of buying products on cash. Under those circumstances, it is not necessary at all for the Federal Government to be involved unless there are some national security interests that are involved.

Q. Mr. Secretary, could you tell us, do you intend to ask for MFN for any other countries in Europe, and also, do you intend to make Eximbank credit available to any of those countries that don't have it now?

Secretary Peterson: I think the Congress shut up its doors today. I think that was the case. This gives us some perhaps welcome time to review exactly what our legislative strategy will be. I cannot go beyond the statement I made earlier that the President does plan to introduce legislation that covers MFN for the Soviet Union, but I would not want you to assume from that that it could include only the Soviet Union.

Q. There are already two bills in now.

Secretary Peterson: They are not bills submitted by the administration.

Q. But for other countries.

Secretary Peterson: I think the Council on International Economic Policy that Peter Flanigan is Executive Director of and the National Security Council, I am sure, will be

conducting an intensive review of what we consider to be the right strategy of presenting MFN legislation, and it is too early to comment.

Q. Was there any tacit understanding or any understanding whatsoever with relation to the operation of Radio Free Europe or Radio Liberty or the jamming of the Voice of America?

Secretary Peterson: No, this subject was never discussed.

Q. Let me be absolutely clear, at no time did you initiate any discussion of the Jackson amendment or any other feeling in the Congress regarding the emigration policies of the Soviet Union?

Secretary Peterson: I never initiated such discussions. There have been occasions where the Soviets commented on stories they read, but I did not initiate it.

Q. You said because members of the Soviet trade representation have diplomatic immunity they will not be permitted to negotiate any trade transactions. Who is, therefore?

Mr. Gibson: They can have members in their delegation who do not enjoy immunity who will actually execute the contracts. This is so that there can be proper redress in the event of any difficulty with the contract.

Q. So there will be members of the trade representation who will not have diplomatic immunity?

Secretary Peterson: Yes. You should know there are trade organizations that do not have it.

Mr. Brower: The complete answer to that question is that the business will be done basically by civilians, nondiplomatic personnel of foreign trade organizations who are either visiting this country for the purpose of making a deal or are residents, and they are not protected by diplomatic immunity. The reason is that those who engage in trade should be subject to the legal framework. So, I think that is pretty clear-cut.

Q. Mr. Secretary, you said the Soviets will invite U.S. companies to make proposals for their trade center. Does that mean the Holiday Inn deal is not closed?

Secretary Peterson: What I have found out about Miss Berger is that she has such broad and esoteric knowledge about all kinds of deals that some of the rest of you may not appreciate the subtlety of her questions.

Holiday Inn is one of the companies that has been discussing in recent weeks with the Soviet Union their being a participant in the trade center complex. The Soviets have told us that they expect to get many proposals in this area. I have the impression that no specific decisions have been made with any company, hotel, or contractor.

The press: Thank you, gentlemen.

WHITE HOUSE FACT SHEET

White House press release dated October 18

The successful negotiation was completed today [October 18] of a comprehensive series of agreements and arrangements between the United States and the Soviet Union covering trade matters, reciprocal trade credits, expanded business facilities, and the settlement of outstanding lend-lease obligations. These agreements reflect the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics signed by the President and General Secretary Brezhnev at last May's summit meeting.¹ The seventh principle provided: "The USA and the USSR regard commercial and economic ties as an important and necessary element in the strengthening of their bilateral relations and thus will actively promote the growth of such ties. They will facilitate cooperation between the relevant organizations and enterprises of the two countries and the conclusion of appropriate agreements and contracts, including long-term ones." At the summit meeting, the Joint U.S.-U.S.S.R. Commercial Commission was established, chaired by U.S. Secretary of Commerce Peter G. Peterson for the American side and Minister of Foreign Trade N. S. Patolichev for the Soviet side. The full Commission met in Moscow in July of this year and again in Washington for the past week. Specific work groups of the Commission have been in specific negotiations for the past few weeks.

The President signed today the determination

making the Soviet Union eligible for credits from the Export-Import Bank of the United States. Secretary Peterson and Soviet Minister Patolichev signed the trade agreement. Secretary William P. Rogers and Minister Patolichev signed the lend-lease agreement.

Trade Agreement. Consistent with the U.S. objective of creating a comprehensive and clear framework within which private American firms can participate in U.S.-Soviet trade, the trade agreement spells out guidelines in specified critical areas to facilitate the flow of trade. The agreement provides for reciprocal granting of trading access equal to that granted for most of our trading partners in the free world; for protection against disruption of domestic markets; for the placement of substantial orders by the Soviet Union for U.S. machinery, plant and equipment, agricultural products, industrial products, and consumer goods; for the availability of U.S. business facilities in the Soviet Union equivalent to those granted representatives of other nations; for the establishment of a U.S. commercial office in Moscow and a Soviet trade representation in Washington; and for the encouragement of third-country-supervised arbitration in the settlement of commercial disputes. The agreement provides an exception for each side relating to national security interests. U.S. export controls are not negotiable and were not therefore discussed. However, such regulations have been and will continue to be under review.

Level of Trade. The trade agreement contemplates that total trade during its three-year period will at least triple over the 1969-71 period to an aggregate amount of at least \$1.5 billion. The Soviet Government states that it expects substantial orders to be placed in the United States for "machinery, plant and equipment, agricultural products, industrial products and consumer goods." For example, the Soviet Government has indicated a desire to purchase several million dollars' worth of U.S. equipment to manufacture tableware. Also, U.S. firms have applied for export licenses for equipment valued at well over \$1 billion in anticipation of bidding successfully on contracts associated with the huge Kama River truck plant construction projects. It is estimated that U.S. companies could capture between 250 and 500 million dollars' worth of the equipment contracts for this project. Substantial grain purchases are expected to continue during the period of the agreement. Machinery and equipment exports to the Soviet Union are expected to grow substantially. Currently, electrical and non-electrical machinery accounts for only \$60 million (or 37 percent of our total exports to the Soviet Union in 1971), even though total U.S. machinery exports to all countries in 1971 were \$11.6 billion. Several large-scale joint projects are currently under discussion or negotiation. These include industrial installations for the production of polystyrene, metal

¹ For text, see BULLETIN of June 26, 1972, p. 898.

fasteners, fertilizers, metal mining, and natural gas extraction and transmission. The U.S. balance of trade with the Soviet Union has traditionally run heavily in favor of the United States—generally by a ratio of 3 to 1. This trend can be expected to continue over the period of the trade agreement resulting in a favorable trade balance in the probable range of at least a few hundred million dollars a year. Furthermore, U.S. exports to the Soviet Union traditionally have been much more job intensive than Soviet exports to the United States, largely raw materials which are much less job intensive.

Most-Favored-Nation Provisions. The agreement provides that each country will reduce its tariffs with respect to the products of the other to the level generally applicable to like products of most other countries. This will require action by the U.S. Congress. The President currently plans to submit such legislation early in next year's session. It is anticipated the trade agreement will not enter into force, and its three-year period will not begin to run, until such legislation is enacted. Between 1935 and 1951 such tariff treatment was also accorded to the Soviet Union, but it was withdrawn by statute in 1951 during the Korean war. Yugoslavia was not affected by the 1951 statute. A subsequent amendment made possible the granting of this tariff treatment to Poland in 1960. The granting of tariff treatment, at a level generally applicable to like products of most other countries, to the Soviet Union is fully consistent with U.S. membership in GATT [General Agreement on Tariffs and Trade].

Market Disruption Provision. Through state trading monopolies, the Soviet Union controls both the importation and exportation of all goods. In the Soviet economy, costs and prices do not necessarily play the same role as they do in a market economy. Accordingly, the Soviets have agreed to a procedure under which, after consultations, they will not ship products to the United States which the U.S. Government has advised will "cause, threaten or contribute to disruption of its domestic market." In the event the Soviets request limitation of U.S. exports, the U.S. Government is obliged to make such information available to the U.S. business community.

Reciprocal Trade Credits. Each government agreed to make available to the other, on a reciprocal basis, trade credit arrangements which are usual and customary in the financing of exports. The President has therefore determined that the Export-Import Bank of the United States may engage in transactions with the Soviet Union. The Soviets have given assurances that the facilities of the Foreign Trade Bank of the Soviet Union and the credit facilities of more than 40 Soviet foreign trade organizations will be available to American importers.

The Soviets have executed an operating agreement with Eximbank which provides that with respect to

all matters—amount of credit, interest rate, repayment provisions—they will be treated in the same manner as any other country. Eximbank policies concerning private participation in credit facilitation will apply, and all credits in excess of \$10 million will be subject to the usual review by the National Advisory Council.

Expanded Business and Commercial Facilities—Commercial Office. The trade agreement provides that the United States may establish a governmentally sponsored commercial office in Moscow to be operated through the U.S. Embassy there. The Soviets will be permitted to establish a trade representation in Washington. The U.S. commercial office in Moscow will provide the U.S. business community with up-to-date information on Soviet markets, facilitate introductions of U.S. businessmen to the appropriate Soviet ministries, provide such facilities as bilingual stenographers and communications, and provide critical expertise in advising U.S. businessmen in making their sales and purchases. Because members of the Soviet trade representation will have diplomatic immunity, they will not be permitted to negotiate or execute any transactions.

Business Facilities in Moscow. Like all foreign firms, U.S. business firms may not establish a permanent office in Moscow with the power to hire local personnel and the right to receive office space, facilities, and housing without accreditation by the Soviet Government. Until very recently, only two U.S. firms, both engaged in the travel and tourism industry, were accredited. Since negotiations were commenced, two industrial firms have been accredited, and the Soviets have agreed that they will continue to accredit U.S. firms on a basis no less favorable than that accorded firms of any third country. Any problems arising out of these accreditation procedures will be resolved through the Joint Commercial Commission. The Soviets have given written assurances that U.S. accredited companies will be authorized to employ Soviet personnel, acquire needed telephones, telex equipment, and other such communications facilities promptly, import promptly needed equipment such as typewriters, calculators, dictation and copying equipment, and automobiles and personal items such as furniture and appliances, have access to suitable housing, and receive prompt processing of visa requests.

Large Trade Center Complex. The Soviets also have said they will construct a large office-hotel-apartment trade center in Moscow. It is contemplated that the trade center will contain a substantial number of company offices, first-class hotel rooms and apartments, and related support activities. The center will be the first of its kind in the Soviet Union and is expected to be in full operation in the next few years. The Soviets will invite U.S. companies to make proposals and cooperate in the financing and construction of the trade center. The Soviet Government is also planning to construct a

trade and economic exposition center and has offered to lease a pavilion to the United States for display of American products. The United States will assist the Soviets in establishing in New York a Soviet office for the purpose of purchasing American equipment for use in the Kama River truck plant.

Arbitration. For the last 40 years the Soviets have had a policy of encouraging arbitration under the auspices of the Foreign Trade Arbitration Commission in Moscow, which is composed of 15 Soviet nationals. Arbitration in a third country was agreed to by the Soviet foreign trade organizations only if the Western firm demanded and was able to negotiate a third-country provision in the purchase or sale contract. By contrast, the rules of the American Arbitration Association provide that where a party to an arbitration proceeding is not an American, he has a right to have the controlling arbitrator be from a third country. The trade agreement encourages settlement of commercial disputes by arbitration under the Arbitration Rules of the Economic Commission for Europe, a United Nations agency, in a country other than the Soviet Union and the United States with arbitrators appointed by an authority in a country other than the Soviet Union and the United States. Parties to contracts, however, are free to decide on any other means of arbitration "which they mutually prefer and agree best suits their particular needs." In addition, U.S. firms are guaranteed the right to use the processes of Soviet courts and comparable Soviet organizations are assured similar access to U.S. courts.

Lend-Lease Settlement

Background. Outstanding Soviet lend-lease obligations have been a deterrent to U.S.-Soviet commercial relations since World War II. Negotiations which were conducted immediately after the war, in 1951, and in 1960 all ended in failure. The lend-lease statute gives the President full power to settle the obligation within very broad limits. The agreement under which lend-lease aid was extended to the Soviets followed other similar agreements in providing only the most general language concerning how contributions to the war effort by each side were to be settled. Consequently, the actual 1945 settlement with the British, the principal beneficiaries of lend-lease aid, provided the guidelines for the settlement with the Soviet Union, which received about half as much aid as the British but more than five times as much as any other country. The principal issues were the amount of the total settlement, whether and how much interest should be charged, the length of time for repayment, a grace period, and a right to postpone annual installments under certain conditions. Negotiations were

complicated by the length of time which had elapsed since World War II, the difference between current interest rates and those prevailing at the end of World War II, and the fact that Soviet products have been subject to higher tariff levels during the intervening period than have been the products of the British.

The Soviet Settlement. Outstanding Soviet lend-lease obligations will be settled by the payment by the Soviets to the United States of an amount at least \$722 million payable over the period ending July 1, 2001. Twelve million dollars is being paid today; \$24 million will be paid July 1, 1973, and \$12 million on July 1, 1975. The balance will be paid in equal annual installments (\$24,071,429 for each of 28 installments, assuming the first such annual payment is on July 1, 1974²) ending on July 1, 2001. The exact total amount will depend upon when and how many of the four allowable annual deferments are taken by the Soviets. If the Soviets were to take their four postponements early in the period, interest on deferments could amount to as much as \$37 million, making the total amount payable between now and 2001 equal to \$759 million. Such deferments, if taken, will nonetheless be repaid by July 1, 2001, and will bear interest at the rate of 3 percent per annum. The British pay 2 percent interest on any deferments and are permitted to add a year beyond 2001 for each deferment. The median interest rate for total interest-bearing public debt between 1946 and 1972 is 2.867 percent (which is coincidentally the interest rate for the year 1959). The settlement also includes remaining amounts due on the "pipeline account" for lend-lease goods delivered (approximately \$45 million due) to the Soviets immediately after World War II and for which they have been paying since 1954.

The Soviet Settlement as Compared to the British Settlement. In addition, account was taken of the fact that the United States has carried the Soviet debt since the war at the cost of the forgone interest it would have received had the Soviets settled at the time the British settled and has experienced a period of substantial worldwide inflation. As to prospective interest rate, it had to be recognized that the 2-percent rate charged the British was itself concessionary as against rates prevailing in 1946.

² If such MFN is granted between June 1 and December 1, the first lend-lease payment is due not more than 30 days thereafter. If MFN is granted from December 2 through May 31 of the following year, then the first lend-lease payment is due on July 1 of that year. The earlier payment date of such annual installments is July 1, 1974. [Footnote in original.]

The two settlements compare as follows:

	U.K.	Soviet
Total aid extended	\$21.5 billion	\$11.1 billion
Total amount to be paid	\$895 million *	\$921 million *
Grace period	5 years	none
Final due date	December 31, 2005 —(could be December 31, 2008, if three additional permitted deferments taken)	July 1, 2001—no extension
Annual deferments	7 allowed—extends final due date	4 allowed—no extension
Interest rate on deferments	2%	3% (compared to British settlement in which deferments result in an extension). The 3% Soviet interest rate is actually comparable to a 4% interest rate on the British basis. The U.K. paid 2%.

* Assumes no deferments and includes payments for goods in "pipeline" at the end of World War II and delivered thereafter (\$199 million have been received from Soviet Union to date.)

Copyrights and Tax Treaties. Significant progress was made on both the copyright and tax treaty issues, and work is continuing on both scores in special work groups in each of these subjects. It is expected that additional major progress on these issues will be made prior to the next Commission meeting.

Joint U.S.-U.S.S.R. Commercial Commission. Commercial relations between the two countries will continue to be monitored by the Joint Commercial Commission. The U.S. delegation on the Commission is chaired by Peter G. Peterson, Secretary of Commerce, and is composed of James T. Lynn, Under Secretary of Commerce, as Vice Chairman; Jack F. Bennett, Deputy Under Secretary of Treasury, Willis Armstrong, Assistant Secretary of State, and Andrew E. Gibson, Assistant Secretary of Commerce, as members; James L. Mitchell as General Counsel; and Steven Lazarus as Executive Secretary.

TRADE AGREEMENT AND RELATED U.S. LETTERS

Text of Agreement

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING TRADE

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics,

Considering that the peoples of the United States of America and of the Union of Soviet Socialist Republics seek a new era of commercial friendship, an era in which the resources of both countries will contribute to the well-being of the peoples of each and an era in which common commercial interest can point the way to better and lasting understanding,

Having agreed at the Moscow Summit that commercial and economic ties are an important and necessary element in the strengthening of their bilateral relations,

Noting that favorable conditions exist for the development of trade and economic relations between the two countries to their mutual advantage,

Desiring to make the maximum progress for the benefit of both countries in accordance with the tenets of the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics signed in Moscow on May 29, 1972,

Believing that agreement on basic questions of economic trade relations between the two countries will best serve the interests of both their peoples,

Have agreed as follows:

ARTICLE 1

1. Each Government shall accord unconditionally to products originating in or exported to the other country treatment no less favorable than that accorded to like products originating in or exported to any third country in all matters relating to:

(a) customs duties and charges of any kind imposed on or in connection with importation or exportation including the method of levying such duties and charges;

(b) internal taxation, sale, distribution, storage and use;

(c) charges imposed upon the international transfer of payments for importation or exportation; and

(d) rules and formalities in connection with importation or exportation.

2. In the event either Government applies quantitative restrictions to products originating in or exported to third countries, it shall afford to like products originating in or exported to the other country equitable treatment vis-a-vis that applied in respect of such third countries.

3. Paragraphs 1 and 2 of this Article 1 shall not apply to (i) any privileges which are granted by either Government to neighboring countries with a view toward facilitating frontier traffic, or (ii) any preferences granted by either Government in recognition of Resolution 21 (II) adopted on March 26, 1968 at the Second UNCTAD [United Nations Conference on Trade and Development], or (iii)

any action by either Government which is permitted under any multilateral trade agreement to which such Government is a party on the date of signature of this Agreement, if such agreement would permit such action in similar circumstances with respect to like products originating in or exported to a country which is a signatory thereof, or (iv) the exercise by either Government of its rights under Articles 3 or 8 of this Agreement.

ARTICLE 2

1. Both Governments will take appropriate measures, in accordance with the laws and regulations then current in each country, to encourage and facilitate the exchange of goods and services between the two countries on the basis of mutual advantage and in accordance with the provisions of this Agreement. In expectation of such joint efforts, both Governments envision that total bilateral trade in comparison with the period 1969-1971 will at least triple over the three-year period contemplated by this Agreement.

2. Commercial transactions between the United States of America and the Union of Soviet Socialist Republics shall be effected in accordance with the laws and regulations then current in each country with respect to import and export control and financing, as well as on the basis of contracts to be concluded between natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics. Both Governments shall facilitate, in accordance with the laws and regulations then current in each country, the conclusion of such contracts, including those on a long-term basis, between natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics. It is understood that such contracts will generally be concluded on terms customary in international commercial practice.

3. Both Governments, by mutual agreement, will examine various fields, in which the expansion of commercial and industrial cooperation is desirable, with regard for, in particular, the long-term requirements and resources of each country in raw materials, equipment and technology and, on the basis of such examination, will promote cooperation between interested organizations and enterprises of the two countries with a view toward the realization of projects for the development of natural resources and projects in the manufacturing industries.

4. The Government of the Union of Soviet Socialist Republics expects that, during the period of effectiveness of this Agreement, foreign trade organizations of the Union of Soviet Socialist Republics will place substantial orders in the United States

of America for machinery, plant and equipment, agricultural products, industrial products and consumer goods produced in the United States of America.

ARTICLE 3

Each Government may take such measures as it deems appropriate to ensure that the importation of products originating in the other country does not take place in such quantities or under such conditions as to cause, threaten or contribute to disruption of its domestic market. The procedures under which both Governments shall cooperate in carrying out the objectives of this Article are set forth in Annex 1, which constitutes an integral part of this Agreement.

ARTICLE 4

All currency payments between natural and legal persons of the United States of America and foreign trade and other appropriate organizations of the Union of Soviet Socialist Republics shall be made in United States dollars or any other freely convertible currency mutually agreed upon by such persons and organizations.

ARTICLE 5

1. The Government of the United States of America may establish in Moscow a Commercial Office of the United States of America and the Government of the Union of Soviet Socialist Republics may establish in Washington a Trade Representation of the Union of Soviet Socialist Republics. The Commercial Office and the Trade Representation shall be opened simultaneously on a date and at locations to be agreed upon.

2. The status concerning the functions, privileges, immunities and organization of the Commercial Office and the Trade Representation is set forth in Annexes 2 and 3, respectively, attached to this Agreement, of which they constitute an integral part.

3. The establishment of the Commercial Office and the Trade Representation shall in no way affect the rights of natural or legal persons of the United States of America and of foreign trade organizations of the Union of Soviet Socialist Republics, either in the United States of America or in the Union of Soviet Socialist Republics, to maintain direct relations with each other with a view to the negotiation, execution and fulfillment of trade transactions. To facilitate the maintenance of such direct relations the Commercial Office may provide office facilities at its location to employees or representatives of natural and legal persons of the United States of America, and the Trade Representation may provide office facilities at its location to employees or representatives of foreign trade or-

ganizations of the Union of Soviet Socialist Republics, which employees and representatives shall not be officers or members of the administrative, technical or service staff of the Commercial Office or the Trade Representation. Accordingly, the Commercial Office and the Trade Representation, and their respective officers and staff members, shall not participate directly in the negotiation, execution or fulfillment of trade transactions or otherwise carry on trade.

ARTICLE 6

1. In accordance with the laws and regulations then current in each country, natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics may open their representations in the Union of Soviet Socialist Republics and the United States of America, respectively. Information concerning the opening of such representations and provision of facilities in connection therewith shall be provided by each Government upon the request of the other Government.

2. Foreign trade organizations of the Union of Soviet Socialist Republics shall not claim or enjoy in the United States of America, and private natural and legal persons of the United States of America shall not claim or enjoy in the Union of Soviet Socialist Republics, immunities from suit or execution of judgment or other liability with respect to commercial transactions.

3. Corporations, stock companies and other industrial or financial commercial organizations, including foreign trade organizations, domiciled and regularly organized in conformity to the laws in force in one of the two countries shall be recognized as having a legal existence in the other country.

ARTICLE 7

1. Both Governments encourage the adoption of arbitration for the settlement of disputes arising out of international commercial transactions concluded between natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics, such arbitration to be provided for by agreements in contracts between such persons and organizations, or, if it has not been so provided, to be provided for in separate agreements between them in writing executed in the form required for the contract itself, such agreements:

(a) to provide for arbitration under the Arbitration Rules of the Economic Commission for Europe of January 20, 1966, in which case such agreement should also designate an Appointing Authority in a country other than the United States of America or the Union of Soviet Socialist Republics for the

appointment of an arbitrator or arbitrators in accordance with those Rules; and

(b) to specify as the place of arbitration a place in a country other than the United States of America or the Union of Soviet Socialist Republics that is a party to the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

Such persons and organizations, however, may decide upon any other form of arbitration which they mutually prefer and agree best suits their particular needs.

2. Each Government shall ensure that corporations, stock companies, and other industrial or financial commercial organizations, including foreign trade organizations, domiciled and regularly organized in conformity to the laws in force in the other country shall have the right to appear before courts of the former, whether for the purpose of bringing an action or of defending themselves against one, including but not limited to, cases arising out of or relating to transactions contemplated by this Agreement. In all such cases the said corporations, companies and organizations shall enjoy in the other country the same rights which are or may be granted to similar companies of any third country.

ARTICLE 8

The provisions of this Agreement shall not limit the right of either Government to take any action for the protection of its security interests.

ARTICLE 9

1. This Agreement shall enter into force upon the exchange of written notices of acceptance. This Agreement shall remain in force for three years, unless extended by mutual agreement.

2. Both Governments will work through the Joint US-USSR Commercial Commission established in accordance with the Communique issued in Moscow on May 26, 1972, in overseeing and facilitating the implementation of this Agreement in accordance with the terms of reference and rules of procedure of the Commission.³

3. Prior to the expiration of this Agreement, the Joint US-USSR Commercial Commission shall begin consultations regarding extension of this Agreement or preparation of a new agreement to replace this Agreement.

IN WITNESS WHEREOF, the undersigned, duly authorized, have signed this Agreement on behalf of their respective Governments.

DONE at Washington in duplicate this 18th day of

³ For text of the communique, see BULLETIN of June 26, 1972, p. 898.

October, 1972, in the English and Russian languages, each being equally authentic.

For the Government of the United States of America: For the Government of the Union of Soviet Socialist Republics:

PETER G. PETERSON.

N. PATOLICHEV.

Texts of Annexes to Agreement

ANNEX 1 TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING TRADE

PROCEDURE FOR THE IMPLEMENTATION OF ARTICLE 3

1. Both Governments agree to consult promptly at the request of either Government whenever such Government determines that actual or prospective imports of a product originating in the other country under certain conditions or in certain quantities could cause, threaten or contribute to disruption of the market of the requesting country.

2. (a) Consultations shall include a review of the market and trade situation for the product involved and shall be concluded within sixty days of the request unless otherwise agreed during the course of such consultations. Both Governments, in carrying out these consultations, shall take due account of any contracts concluded prior to the request for consultations between natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics engaged in trade between the two countries.

(b) Unless a different solution is agreed upon during the consultations, the quantitative import limitations or other conditions stated by the importing country to be necessary to prevent or remedy the market disruption situation in question shall be deemed agreed as between the two Governments.

(c) At the request of the Government of the importing country, if it determines that an emergency situation exists, the limitations or other conditions referred to in its request for consultations shall be put into effect prior to the conclusion of such consultations.

3. (a) In accordance with the laws and regulations then current in each country, each Government shall take appropriate measures to ensure that exports from its country of the products concerned do not exceed the quantities or vary from the conditions established for imports of such products into the other country pursuant to paragraphs 1 and 2 of this Annex 1.

(b) Each Government may take appropriate

measures with respect to imports into its country to ensure that imports of products originating in the other country comply with such quantitative limitations or conditions as may be established in accordance with paragraphs 1 and 2 of this Annex 1.

ANNEX 2 TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING TRADE

THE STATUS OF THE COMMERCIAL OFFICE OF THE UNITED STATES OF AMERICA IN THE UNION OF SOVIET SOCIALIST REPUBLICS

ARTICLE 1

The Commercial Office of the United States of America may perform the following functions:

1. Promote the development of trade and economic relations between the United States of America and the Union of Soviet Socialist Republics; and

2. Provide assistance to natural and legal persons of the United States of America in facilitating purchases, sales and other commercial transactions.

ARTICLE 2

1. The Commercial Office shall consist of one principal officer and no more than three deputy officers and a mutually agreed number of staff personnel, provided, however, that the number of officers and staff personnel permitted may be changed by mutual agreement of the two Governments.

2. The Commercial Office, wherever located, shall be an integral part of the Embassy of the United States of America in Moscow. The Government of the Union of Soviet Socialist Republics shall facilitate in accordance with its laws and regulations the acquisition or lease by the Government of the United States of America of suitable premises for the Commercial Office.

3. (a) The Commercial Office, including all of its premises and property, shall enjoy all of the privileges and immunities which are enjoyed by the Embassy of the United States of America in Moscow. The Commercial Office shall have the right to use cipher.

(b) The principal officer of the Commercial Office and his deputies shall enjoy all of the privileges and immunities which are enjoyed by members of the diplomatic staff of the Embassy of the United States of America in Moscow.

(c) Members of the administrative, technical and service staffs of the Commercial Office who are not nationals of the Union of Soviet Socialist Republics shall enjoy all of the privileges and immunities which are enjoyed by corresponding categories of personnel of the Embassy of the United States of America in Moscow.

ANNEX 3 TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING TRADE

THE STATUS OF THE TRADE REPRESENTATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE UNITED STATES OF AMERICA

ARTICLE 1

The Trade Representation of the Union of Soviet Socialist Republics may perform the following functions:

1. Promote the development of trade and economic relations between the Union of Soviet Socialist Republics and the United States of America; and
2. Represent the interests of the Union of Soviet Socialist Republics in all matters relating to the foreign trade of the Union of Soviet Socialist Republics with the United States of America and provide assistance to foreign trade organizations of the Union of Soviet Socialist Republics in facilitating purchases, sales and other commercial transactions.

ARTICLE 2

1. The Trade Representation shall consist of one principal officer, designated as Trade Representative, and no more than three deputy officers and a mutually agreed number of staff personnel, provided, however, that the number of officers and staff personnel permitted may be changed by mutual agreement of the two Governments.
2. The Trade Representation, wherever located, shall be an integral part of the Embassy of the Union of Soviet Socialist Republics in Washington. The Government of the United States of America shall facilitate in accordance with its laws and regulations the acquisition or lease by the Government of the Union of Soviet Socialist Republics of suitable premises for the Trade Representation.
3. (a) The Trade Representation, including all of its premises and property, shall enjoy all of the privileges and immunities which are enjoyed by the Embassy of the Union of Soviet Socialist Republics in Washington. The Trade Representation shall have the right to use cipher.
(b) The Trade Representative and his deputies shall enjoy all of the privileges and immunities which are enjoyed by members of the diplomatic staff of the Embassy of the Union of Soviet Socialist Republics in Washington.
(c) Members of the administrative, technical and service staffs of the Trade Representation who are not nationals of the United States of America shall enjoy all of the privileges and immunities which are enjoyed by corresponding categories of personnel of the Embassy of the Union of Soviet Socialist Republics in Washington.

Related U.S. Letters

*U.S. Letter Relating to Article 3*⁴

OCTOBER 18, 1972.

DEAR MR. MINISTER: I have the honor to refer to our recent discussions relating to Article 3 and Annex 1 of the Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding Trade to be signed today. In accordance with those provisions and discussions, and consistent with current United States laws and regulations concerning exports, it is understood that the United States Government will meet its obligations under paragraph 3(a) of Annex 1 with respect to limitations or conditions established pursuant to a request of the Government of the Union of Soviet Socialist Republics under paragraphs 1 and 2 of Annex 1 by making available to United States exporters information regarding the quantities or conditions stated by the Government of the Union of Soviet Socialist Republics in its request, or as otherwise established following consultations provided for under Annex 1.

I further understand that the Government of the Union of Soviet Socialist Republics will limit or establish conditions on exports of any product from the Union of Soviet Socialist Republics to the United States if requested to do so in accordance with Annex 1.

I would appreciate receiving your confirmation of the foregoing understandings on behalf of the Government of the Union of Soviet Socialist Republics.

Please accept, Mr. Minister, the assurances of my highest consideration.

Sincerely yours,

PETER G. PETERSON.

MR. N. S. PATOLICHEV,
Minister of Foreign Trade of the Union of Soviet Socialist Republics.

*U.S. Letter Relating to Article 5*⁵

OCTOBER 18, 1972.

DEAR MR. MINISTER: I have the honor to confirm, as was stated by my delegation in the course of the negotiations leading to the conclusion today of the Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding Trade, that while the Trade Representation of the Union of Soviet Socialist Republics in Washington estab-

⁴ Minister Patolichev's letter of confirmation is not printed here.

⁵ Minister Patolichev's reply taking note of the letter is not printed here.

lished pursuant to Article 5 of said Agreement, its officers and staff members may engage in appropriate activities to promote trade generally between the two countries for the purposes of said Agreement, as is customary in international practice, United States legislation in force, i.e., Title 22 of the United States Code, Sections 252-254, makes it inappropriate for the Trade Representation, its officers and staff to participate directly in the negotiation, execution or fulfillment of trade transactions or otherwise carry on trade.

I have the further honor to confirm that at such time as the United States of America shall have become a party to the Vienna Convention on Diplomatic Relations, dated April 18, 1961, and its domestic legislation shall have been revised to accord fully with the terms of Articles 29 through 45 of said Convention, regarding diplomatic privileges and immunities, my Government will be prepared to give favorable consideration to amending the Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding Trade by deleting the second and third sentences of paragraph 3 of Article 5, thus permitting officers and members of the administrative, technical and service staffs of the Commercial Office of the United States of America in Moscow and the Trade Representation of the Union of Soviet Socialist Republics in Washington to participate directly in the negotiation, execution and fulfillment of trade transactions and otherwise carry on trade.

Please accept, Mr. Minister, the assurances of my highest consideration.

Sincerely yours,

PETER G. PETERSON.

U.S. Reply on U.S.S.R. Accreditation and Treatment of U.S. Companies Under Article 6

OCTOBER 18, 1972.

DEAR MR. MINISTER: I have the honor to acknowledge the receipt of your letter of this date, with attachments, which reads as follows:

"Dear Mr. Secretary:

This is in response to your request for information on the procedures established by the Ministry of Foreign Trade for the accreditation of offices of foreign companies including United States companies, and on the facilities made available to such companies once accreditation has been approved.

United States companies will receive treatment no less favorable than that accorded to business entities of any third country in all matters relating to accreditation and business facilitation.

Applications by United States firms for accreditation will be handled expeditiously. Any problems arising out of these applications that cannot readily be resolved through the regular procedures shall be resolved through consultation under the Joint US-USSR Commercial Commission at the request of either side.

As you have been advised, the USSR Chamber of Commerce and Industry and the State Committee of the Council of Ministers of the USSR for Science and Technology are establishing a large trade and economic exposition center which will include display pavilions of the various participating countries. The United States has been invited to have such a pavilion. Further, to meet the growing interest of foreign firms in establishing a permanent residence in Moscow, we have decided to construct a large trade center containing offices, hotel and apartment facilities and are asking United States companies to make proposals for and cooperate in the development and building of the trade center. The trade center will be used for, among other things, housing and office facilities for accredited United States companies.

Prior to the availability of these facilities, however, office facilities of an appropriate size in buildings accessible to trade sources will be made available as soon as possible once a United States company is accredited. The facilities to which such firms shall be entitled are explained in the attached information.

It is recognized that from time to time United States businessmen may have problems regarding such facilities which they are unable to resolve through discussions with various foreign trade organizations or other organizations. In such cases officials of my Ministry, as well as those of the State Committee of the Council of Ministers of the USSR for Science and Technology, shall be available through their respective protocol sections for assistance in resolving these problems.

Please accept, Mr. Secretary, the assurances of my highest consideration.

Sincerely yours,

N. PATOLICHEV

Mr. Peter G. Peterson
Secretary of Commerce
of the United States of America"

I have the further honor to inform you that I have taken cognizance of the contents of the above letter and its attachments.

Please accept, Mr. Minister, the assurances of my highest consideration.

Sincerely yours,

PETER G. PETERSON.

SUMMARY OF BUSINESS FACILITIES FOR FOREIGN COMPANIES

An accredited company will be authorized to employ at its office not more than five American or other non-Soviet personnel, as well as Soviet personnel if desired. If requested, such communications facilities as telephones, extensions, telex equipment will be made available promptly. The name, location and function of an accredited office will be listed in the latest issue of suitable business directories if such are published. Subject to the requirement that such equipment be exported when no longer needed by its office and subject to applicable customs regulations, accredited offices will be permitted to import, as promptly as desired, typewriters, calculators, dictation and copying equipment, one stationwagon-type automobile, as well as other equipment for the purpose of efficient and business-like operation of the office.

Subject to applicable customs regulations, each non-Soviet employee will be permitted to import a passenger car, household utilities, appliances, furniture and other necessary living items at any time within a year after the arrival of the employee in Moscow. In addition, suitable housing for such employee and family will be made available as soon as possible.

Normally, such employees and members of their families will have visas prepared for exit from and entry into the Soviet Union within three to five days. In the case of a business or personal emergency, however, a special effort is made to issue visas more promptly, and, in the case of demonstrated need, the question of granting a multiple entry and exit visa shall be examined very carefully.

INSTRUCTIONS

on the procedure for the issuance of permits for the opening of offices of foreign firms in the USSR and for the regulation of their activity

1. Permits for the opening of offices of foreign firms in the USSR, referred to hereinafter as "Office(s)", may, in accordance with legislation in force in the USSR, be issued to foreign firms that are known on the world market and that have affirmatively presented themselves in the capacity of trade partners of Soviet foreign trade organizations with whom they have concluded especially large commercial transactions. In this connection it will also be considered that the Offices will effectively assist Soviet foreign trade organizations in the development of Soviet exports, including machinery and equipment, and also in the import of machinery and equipment that is technologically modern, and in

familiarization with the newest achievements of world technology.

2. A foreign firm interested in opening an Office shall submit to the Protocol Section of the Ministry of Foreign Trade, referred to hereinafter as the "Protocol Section", an application containing the following information:

- a) the name of the firm, the date of its formation, and the place of its residence;
- b) the subject matter of its activity, the organs of its administration, and the persons representing the firm according to its charter (the articles of incorporation or the articles of agreement of the firm);
- c) the date and place of ratification or registration of the charter (the articles of incorporation or the articles of agreement of the firm) on the basis of which the firm operates;
- d) the charter capital of the firm;
- e) with which Soviet foreign trade organization the firm has concluded a transaction for the performance of which the firm requests a permit for the opening of an Office, the subject matter and amount of the transaction, and the period of operation of the transaction;
- f) with which other Soviet foreign trade organizations the firm has commercial relations.

The information enumerated in subparagraphs "a", "b", "c", and "d" must be confirmed by documents (by-laws, charter, articles of incorporation or articles of agreement, an extract from a trade register, etc.) attached to the application in the form of notarized copies certified in accordance with established procedure by consular offices of the USSR abroad.

NOTE: Besides the indicated information and documents, a firm shall submit, upon inquiry by the Ministry of Foreign Trade, also other information and documents concerning the firm's activities.

3. The representative of a foreign firm presenting in its name a petition for the opening of an Office in the USSR shall give to the Protocol Section a properly prepared power of attorney.

4. In the permit for opening an Office, issued by the Protocol Section in the accompanying form, there shall be indicated:

- a) the objective of opening the Office;
- b) the conditions under which the firm is permitted to have the Office;
- c) the period for which the permit is issued;
- d) the number of personnel at the Office who are foreign citizens and employees of the firm.

5. On questions of the purchase and sale of goods the Office may communicate with Soviet organiza-

tions that do not have the right to operate in foreign trade only through the Ministry of Foreign Trade and shall conduct its activities in observance of the laws, decisions of the Government, instructions, and rules in force in the USSR.

6. Every quarter the Office shall send to the Protocol Section written information on the Office's activities, its commercial contacts with Soviet organizations, its export and import transactions concluded, and the course of their performance.

7. The person who is authorized to be the head of the Office shall give to the Protocol Section a properly prepared power of attorney from the firm, and shall inform the Protocol Section in a timely fashion of his replacement and also of the dates of arrival in the USSR and of departure from the USSR of personnel of the Office.

8. An Office opened in accordance with the procedure established by the present Instructions shall apply, on questions of the furnishing to it of day-to-day services, to the Administration for Services to the Diplomatic Corps of the Ministry of Foreign Affairs of the USSR.

9. The activity of an Office shall terminate:

a) upon expiration of the period for which its permit was issued;

b) in the event of termination of the activity abroad of the firm having the Office in the USSR;

c) upon decision of the Ministry of Foreign Trade in the event of violation by the Office of the conditions under which the firm was permitted to open the Office in the USSR, or in the event of a declaration that the Office's activity does not correspond to the interest of the USSR.

U.S. Letter Relating to Article 6⁶

OCTOBER 18, 1972.

DEAR MR. MINISTER: This is in response to your request pursuant to Article 6 of the Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding Trade for information on policies and procedures applicable to foreign trade organizations and nationals of the Union of Soviet Socialist Republics seeking to establish business facilities in the United States for the conduct of commercial activities, and with respect to assistance that might be given by the Government of the United States of America in that regard to such organizations and persons.

From our many discussions, I am satisfied that both sides accept the principle of expansion of business facilities in each other's country as an adjunct for substantially expanded trade.

⁶ Minister Patolichev's reply taking note of the letter is not printed here.

Both sides have reasons that may, in some cases, make it necessary not to honor all requests for expanded facilities and new organizations. However, we are both committed to expanding such facilities.

Where there is a clear need established for such added facilities, I will assure you that the Government of the United States will sympathetically consider such requests.

As I have told you, I believe it is important that we select examples of certain kinds of organizations and facilities that are likely to be needed in the future in order to expand trade and commerce substantially.

As one example, we recognize that certain very large projects may require from time to time purchasing organizations in the United States to coordinate such activities on those projects. We believe the Kama River Purchasing Commission is a good example of our mutual desire to improve trade between our two countries and to provide necessary facilities and organizations to achieve that objective. Thus, I am pleased to tell you the terms set out in the attachment for the Temporary Purchasing Commission for the procurement of equipment for the Kama River Truck Plant are acceptable.

As another example, the Government of the United States of America recognizes the need for the Union of Soviet Socialist Republics to stimulate more exports to the United States, and will cooperate to promote such exports where appropriate. Accordingly, if in the next few months the Soviet Government submits a request that demonstrates a clear need for a particular export facility or organization to stimulate Soviet exports to the United States, we will view such a request sympathetically.

Sincerely yours,

PETER G. PETERSON.

Attachment

With respect to the request on the part of the Government of the Union of Soviet Socialist Republics for approval of a Temporary Purchasing Commission for the Kama River Truck Complex, the Government of the United States of America understands the following:

1. The Temporary Purchasing Commission would be created with the purpose of:

a) Furnishing assistance for the placement of equipment orders for the construction of the Kama River Truck Complex in the Union of Soviet Socialist Republics.

b) Supervising on behalf of the Soviet Ministry of Foreign Trade preparation and shipment of equipment purchased from United States companies and training of Soviet experts for the Kama River Truck Complex.

c) Assisting United States companies in negotia-

tions and fulfillment of contracts with Soviet foreign trade organizations, and assisting United States experts sent to the Union of Soviet Socialist Republics as technical consultants and coordinators of equipment assembly in connection with the Kama River Truck Complex.

2. The Temporary Purchasing Commission would be established provisionally for a period of one year, and could be renewed, by mutual agreement, for as many as three additional periods of one year each. The Temporary Purchasing Commission would be responsible to the Soviet Ministry of Foreign Trade and the Trade Representative of the Union of Soviet Socialist Republics in the United States.

3. The personnel of the Temporary Purchasing Commission would consist of a Chairman and no more than 15 additional persons, including technical assistants and staff.

4. The location of the Commission would be New York City. The specific location of the premises proposed to be occupied by the Temporary Purchasing Commission would be subject to prior agreement with the Government of the United States.

5. Permission to travel to and within the United States would be governed by existing laws and regulations.

TEXT OF LEND-LEASE AGREEMENT

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING SETTLEMENT OF LEND LEASE, RECIPROCAL AID AND CLAIMS

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics,

Considering the need to settle obligations arising out of prosecution of the war against aggression in order to foster mutual confidence and the development of trade and economic relations between the two countries,

Desiring to further the spirit of friendship and mutual understanding achieved by the leaders of both countries at the Moscow Summit,

Recognizing the benefits of cooperation already received by them in the defeat of their common enemies, and of the aid furnished by each Government to the other in the course of the war, and

Desiring to settle all rights and obligations of either Government from or to the other arising out of lend lease and reciprocal aid or otherwise arising out of the prosecution of the war against aggression,

Have agreed as follows:

1. This Agreement represents a full and final

settlement of all rights, claims, benefits and obligations of either Government from or to the other arising out of or relating to:

(a) the Agreement of June 11, 1942, between the Governments of the United States of America and the Union of Soviet Socialist Republics on principles applying to mutual aid in the prosecution of the war against aggression, including the arrangements between the two Governments preliminary to and replaced by said Agreement,

(b) the Agreement of October 15, 1945, between the Governments of the United States of America and the Union of Soviet Socialist Republics concerning the disposition of lend-lease supplies in inventory or procurement in the United States of America, and

(c) any other matter in respect of the conduct of the war against aggression during the period June 22, 1941 through September 2, 1945.

2. In making this Agreement both Governments have taken full cognizance of the benefits and payments already received by them under the arrangements referred to in Paragraph 1 above. Accordingly, both Governments have agreed that no further benefits will be sought by either Government for any obligation to it arising out of or relating to any matter referred to in said Paragraph 1.

3. (a) The Government of the Union of Soviet Socialist Republics hereby acquires, and shall be deemed to have acquired on September 20, 1945, all such right, title and interest as the Government of the United States of America may have in all lend lease materials transferred by the Government of the United States of America to the Government of the Union of Soviet Socialist Republics, including any article (i) transferred under the Agreement of June 11, 1942, referred to above, (ii) transferred to the Government of the Union of Soviet Socialist Republics under Public Law 11 of the United States of America of March 11, 1941, or transferred under that Public Law to any other government and retransferred prior to September 20, 1945 to the Government of the Union of Soviet Socialist Republics, (iii) transferred under the Agreement of October 15, 1945, referred to above, or (iv) otherwise transferred during the period June 22, 1941 through September 20, 1945 in connection with the conduct of the war against aggression.

(b) The Government of the United States of America hereby acquires, and shall be deemed to have acquired on September 20, 1945, all such right, title and interest as the Government of the Union of Soviet Socialist Republics may have in all reciprocal aid materials transferred by the Government of the Union of Soviet Socialist Republics to the Government of the United States of America during the period June 22, 1941 through September 20, 1945.

4. (a) The total net sum due from the Government of the Union of Soviet Socialist Republics to the Government of the United States of America for the settlement of all matters set forth in Paragraph 1 of this Agreement shall be U.S. \$722,000,000 payable as provided in subparagraphs (b), (c), and (d) of this Paragraph 4.

(b) (i) Three installments shall be due and payable as follows: \$12,000,000 on October 18, 1972, \$24,000,000 on July 1, 1973, and \$12,000,000 on July 1, 1975. (ii) Subject to subparagraph (c) of this Paragraph 4, after the date ("Notice Date") on which a note from the Government of the United States of America is delivered to the Government of the Union of Soviet Socialist Republics stating that the Government of the United States of America has made available most-favored-nation treatment for the Union of Soviet Socialist Republics no less favorable than that provided in an Agreement Between the Government of the United States of America and the Union of Soviet Socialist Republics Regarding Trade signed on the date hereof, the balance of \$674,000,000 in payment of lend lease accounts shall be paid in equal installments ("Regular Installments") as follows:

(1) If the Notice Date falls on or before May 31, 1974, the first Regular Installment shall be due and payable on July 1, 1974, and subsequent Regular Installments shall be due and payable annually on July 1 of each year thereafter through July 1, 2001, or

(2) If the Notice Date falls on or after June 1, 1974, and (A) If the Notice Date occurs in the period of June 1 through December 1 of any year, the first Regular Installment shall be due and payable not more than 30 days following the Notice Date and subsequent Regular Installments shall be due and payable annually on July 1 of each year thereafter through July 1, 2001; or (B) If the Notice Date occurs in the period of December 2 of any year through May 31 of the following year, the first Regular Installment shall be due and payable on the July 1 next following the Notice Date and subsequent Regular Installments shall be due and payable annually on July 1 of each year thereafter through July 1, 2001.

(c) In any year, upon written notice to the Government of the United States of America that a deferment of a Regular Installment (except the first and last Regular Installment) next due is necessary in view of its then current and prospective economic conditions, the Government of the Union of Soviet Socialist Republics shall have the right to defer payment of such Regular Installment ("Deferred Regular Installment"). Such right of deferment may be exercised on no more than four occasions. On each such occasion, without regard to whether the Government of the Union of Soviet Socialist Re-

publics defers any subsequent Regular Installments, the Deferred Regular Installment shall be due and payable in equal annual installments on July 1 of each year commencing on the July 1 next following the date the Deferred Regular Installment would have been paid if the Government of the Union of Soviet Socialist Republics had not exercised its right of deferment as to such Regular Installment with the final payment on the Deferred Regular Installment on July 1, 2001, together with interest on the unpaid amount of the Deferred Regular Installment from time to time outstanding at three percent per annum, payable at the same time as the Deferred Regular Installment is due and payable.

(d) The Government of the Union of Soviet Socialist Republics shall have the right to prepay at any time all or any part of its total settlement obligation, provided that no such prepayment may be made at any time when any payment required to be made under this Paragraph 4 has not been paid as of the date on which it became due and payable.

5. Both Governments have agreed that this Agreement covers only rights, claims, benefits and obligations of the two Governments. Further, nothing in this Agreement shall be deemed to terminate the provisions of Article III of the Agreement of June 11, 1942, referred to above.

DONE at Washington in duplicate this eighteenth day of October, 1972, in the English and Russian languages, each text being equally authentic.

For the Government of the United States of America:	For the Government of the Union of Soviet So- cialist Republics:
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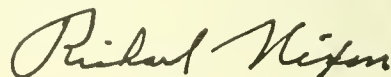
WILLIAM P. ROGERS.

N. PATOLICHEV.

TEXT OF PRESIDENTIAL DETERMINATION⁷

THE WHITE HOUSE,
Washington, October 18, 1972.

I hereby determine that it is in the national interest for the Export-Import Bank of the United States to guarantee, insure, extend credit and participate in the extension of credit in connection with the purchase or lease of any product or service by, for use in, or for sale or lease to the Union of Soviet Socialist Republics, in accordance with Section 2(b)(2) of the Export-Import Bank Act of 1945, as amended.



⁷ Presidential Determination No. 72-18100; 37 Fed.Reg. 22573.

A Settlement That Will Accomplish Our Basic Objectives in Viet-Nam

Following is an excerpt from President Nixon's address, "A Look to the Future," made to the Nation on television and radio on November 2.

Weekly Compilation of Presidential Documents dated November 6

As you know, we have now made a major breakthrough toward achieving our goal of peace with honor in Viet-Nam. We have reached substantial agreement on most of the terms of a settlement. The settlement we are ready to conclude would accomplish the basic objectives that I laid down in my television speech to the Nation on May 8 of this year:¹

—The return of all of our prisoners of war and an accounting for all of those missing in action;

—A cease-fire throughout Indochina; and

—For the 17 million people of South Viet-Nam, the right to determine their own future without having a Communist government or a coalition government imposed upon them against their will.

However, there are still some issues to be resolved. There are still some provisions of the agreement which must be clarified so that all ambiguities will be removed. I have insisted that these be settled before we sign the final agreement. That is why we refused to be stampeded into meeting the arbitrary deadline of October 31.

Now, there are some who say: "Why worry about the details? Just get the war over!"

Well, my answer is this: My study of history convinces me that the details can make the difference between an agreement that collapses and an agreement that lasts—and equally crucial is a clear understanding by all of the parties of what those details are.

We are not going to repeat the mistake of

1968, when the bombing-halt agreement was rushed into just before an election without pinning down the details.

We want peace, peace with honor, a peace fair to all, and a peace that will last. That is why I am insisting that the central points be clearly settled, so that there will be no misunderstandings which could lead to a breakdown of the settlement and a resumption of the war.

I am confident that we will soon achieve that goal.

But we are not going to allow an election deadline or any other kind of deadline to force us into an agreement which would be only a temporary truce and not a lasting peace. We are going to sign the agreement when the agreement is right, not one day before; and when the agreement is right, we are going to sign, without one day's delay.

Not only in America but all around the world, people will be watching the results of our election. The leaders in Hanoi will be watching. They will be watching for the answer of the American people—for your answer—to this question: Shall we have peace with honor or peace with surrender?

Always in the past you have answered, "Peace with honor." By giving that same answer once again on November 7, you can help make certain that peace with honor can now be achieved.

In these past four years we have also been moving toward lasting peace in the world at large.

We have signed more agreements with the Soviet Union than were negotiated in all the previous years since World War II. We have established the basis for a new relationship with the People's Republic of China, where one-fourth of all the people in this world live. Our vigorous diplomacy has advanced the prospects for a stable peace in the Middle East. All around the world we are opening doors to peace, doors that were previously closed. We are developing areas of common interest where there have been previously only antagonisms. All this is a beginning. It can be the beginning of a

¹ For text, see BULLETIN of May 29, 1972, p. 747.

generation of peace, of a world in which our children can be the first generation in this century to escape the scourge of war.

These next four years will set the course on which we begin our third century as a nation. What will that course be? Will it have us turning inward, retreating from the responsibilities not only of a great power but of a great people, of a nation that embodies the ideals man has dreamed of and fought for through the centuries?

We cannot retreat from those responsibilities. If we did, America would cease to be a great nation, and peace and freedom would be in deadly jeopardy throughout the world.

Ours is a great and a free nation today because past generations of Americans met their responsibilities. And we shall meet ours.

We have made progress toward peace in the world—toward a new relationship with the Soviet Union and the People's Republic of China, not through naive sentimental assumptions that good will is all that matters or that we can reduce our military strength because we have no intention of making war and we therefore assume other nations would have no such intention. We have achieved progress through peace for precisely the opposite reasons: because we demonstrated that we would not let ourselves be surpassed in military strength and because we bargained with other nations on the basis of their national interest and ours.

As we look at the real world, it is clear that we will not in our lifetimes have a world free of danger. Anyone who reads history knows that danger has always been part of the common lot of mankind. Anyone who knows the world today knows that nations have not all been suddenly overtaken by some new and unprecedented wave of pure good will and benign intentions. But we can lessen the danger. We can contain it. We can forge a network of relationships and of interdependencies that restrain aggression and that take the profit out of war.

We cannot make all nations the same, and

it would be wrong to try. We cannot make all of the world's people love each other. But we can establish conditions in which they will be more likely to live in peace with one another. Tonight I ask for your support as we continue to work toward that great goal.

165th Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Ambassador William J. Porter, head of the U.S. delegation, at the 165th plenary session of the meetings on Viet-Nam at Paris on November 2.

Press release 274 dated November 2

Ladies and gentlemen: Four years and five months ago the process of negotiating an end to the Indochina war began. I need not remind you here of the formidable difficulties which have beset the negotiations. The conflict of interests, objectives, and ideologies was deepened by sacrifices made for a cause which each side held, with equal passion, to be just.

Nor do I need to remind you of the problems in establishing the framework within which productive negotiations could take place. Not until October 8 was this framework established, when your side moved with us to separate military from political issues. Much has been accomplished in the short time since then; and the draft agreement, unilaterally but accurately summarized by you, reflects the state of the understandings reached thus far. We believe that peace, therefore, is near; and the remaining issues that require resolution or clarification can, we also believe, be settled quickly by effort and good will.

We do not believe that difficulties in meeting a certain deadline, for example, should obscure what has been accomplished or mortgage the future. The few remaining prob-

lems of substance—and these do exist, as you know—should not be dismissed as pretexts for delay. Misunderstandings on serious points, if they exist, must be faced frankly and dealt with. Excessive haste in settling the final elements would jeopardize the work that has been done and might place the future viability of an agreement in doubt.

Ladies and gentlemen, our task is therefore to carry forward to an equitable conclusion, with full respect to the views of all parties concerned, the work that has already been done; to refine and clarify where necessary; and to deal resolutely, candidly, and realistically with any difficulties that may still remain. I am confident that we will prove equal to this task.

President Nixon Signs Ratification of Aviation Sabotage Convention

*Statement by President Nixon*¹

In recent weeks I have emphasized the commitment of this Nation to taking every step necessary to end the vicious threat of terror both here and abroad, a trend not limited to any one area of the world or to any one complex of problems. On September 25, Secretary of State Rogers also expressed to the United Nations the profound concern of the American people over the growing menace of international terrorism. On that same day, I further emphasized our deep feelings about this matter by establishing a Cabinet Committee to Combat Terrorism.

I am particularly pleased therefore to be able to sign the instrument of ratification of an international convention today [November 1] which will help combat the menace of terrorism around the world: the Montreal Sabotage Convention.² This convention requires the extradition or prosecution of any persons who perpetrate attacks of sabotage

and violence against international civil aviation.

A civilized society cannot tolerate terrorism. Any action which makes a diplomat, a government official, or an innocent citizen a pawn in a politically motivated dispute undermines the safety of every other person. A peaceful, stable world requires that all nations vigorously join in condemning and prosecuting such acts and in preventing their further occurrence.

This convention and the bill I signed last Tuesday, H.R. 15883, making it a Federal crime for any person to harass, assault, kidnap, or murder a foreign official in the United States, are a part of our on-going efforts to combat terrorism.

In this connection the Cabinet Committee to Combat Terrorism has already taken steps to insure that stricter controls are placed on visa applications and visa extensions of possible terrorists. It has suspended the regulations which allowed one to transit the United States without a visa. And it has set up a series of working groups to insure Government-wide cooperation in the sharing of intelligence and to provide for a coordinated response to any terrorist attack.

The United Nations and the International Civil Aviation Organization now have before them three additional proposals which, if adopted, would further strengthen the hands of all nations in dealing with the scourge of terrorism. In my view these measures should be acted upon promptly.

—First, a draft convention providing for the prosecution or extradition of persons who attack or kidnap foreign officials.

—Second, a convention providing for the suspension of air service to countries which fail to punish or extradite hijackers or saboteurs of civil aircraft.

—Third, a new convention proposed by

¹ Issued on Nov. 1 (White House press release).

² For text of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, see BULLETIN of Oct. 25, 1971, p. 465.

the United States which would require the prosecution or extradition of any person who seriously injures, kidnaps, or kills innocent civilians in a foreign state for the purpose of blackmailing any state or international organization.

The Montreal Sabotage Convention is an important step in the continuing battle against terrorism. But the other measures that we are supporting in the United Nations and in the International Civil Aviation Organization are also essential if we are to establish a world in which men and nations can deal with one another without fear of these irrational and despicable acts of terrorism.

President Reaffirms U.S. Support of European Community

*Statement by President Nixon*¹

I have read with great interest the communique issued by the leaders of the nine countries of the enlarged European Community demonstrating once again their commitment to greater European unity. At this important meeting, the members of the Community have set an objective of "transforming the whole complex of their relations into a European Union by the end of the present decade." The United States strongly sup-

ports that objective. It is, and has always been, my own deeply held view that progress toward a unified Europe enhances world peace, security, and prosperity.

It is also of the highest importance that the United States and Europe work closely together. For this reason I particularly welcome the Community's declared intent to maintain a constructive, forthcoming dialogue with us and its commitment to a progressive liberalization of tariff and nontariff barriers to trade on a comprehensive basis during the major multilateral negotiations to begin next year.

On behalf of the United States, I wish to reaffirm our commitment to work with the members of the European Community for reform of the international economic system in a way which will bring about a new freedom of world trade, new equity in international economic conduct, and effective solutions to the problems of the developing world.

These are the objectives with which the United States will approach forthcoming negotiations on monetary and trade reform. We will be prepared to take bold action with our European partners for a more equitable and open world economic order. The October 21 summit declaration is evidence that our European partners are equally dedicated to the success of these efforts. In the meantime, we look to them for continued help in fostering a climate of mutual cooperation and confidence and for a demonstration—through positive action on pressing and immediate problems—that these efforts will be crowned with success.

¹ Issued on Oct. 27 (White House press release).

The Complex World Picture Today

*Address by Deputy Secretary John N. Irwin II*¹

Robert Burns' belief that an ability to see ourselves "as others see us" would save us from many a blunder and foolish notion was set forth in the rather modest context of his poem "To a Louse—On Seeing One on a Lady's Bonnet at Church, 1786." The context of this series of luncheon meetings that I have the pleasure, rather unexpectedly, of inaugurating is larger; it embraces the entire world. Yet Burns' dictum is even more relevant in foreign affairs than in personal life, and the blunders and foolish notions into which we might fall are of incalculably greater importance.

But "as others see us" is only the second part of the quotation; the first part talks of seeing ourselves, and seeing or knowing ourselves is the beginning of wisdom. A large part of our job in the foreign affairs business, from the President on down, involves bridging the gap between these separate visions: finding ways to reconcile how others see us with how we see ourselves and in the process often changing both.

It is by now almost routine to say that we are in the midst of a sea change in international affairs, but any discussion of the present or the future must start from those great shifts that have been taking place in the outside world, and in our own country, over the past decade or so:

—The deceptively simple image of bipolarity in the world has yielded to a much more complex picture, which is also often oversimplified, of multiple power centers

and high levels of interdependence. The movement away from bipolarity seems a healthy one, but it has confronted us with a situation of much greater complexity than the one with which we dealt during the 1950's and early 1960's.

—The nation-state, the traditional unit of international relations, is also being subjected to stress. Although I do not expect radical changes in the next decade, we must realize that new international entities—ranging from regional groupings, the most significant of which is the European Community, to the multinational corporations, to specialized agencies of the United Nations—are assuming an ever more important role. Subgroups and nationalities are seeking some form of international personality. Traditional concepts of sovereignty are not always fully appropriate to some of the issues, such as environmental problems, that confront us.

—Closely related to these changes is the gradual erosion of the barrier between domestic and foreign affairs and the greater involvement of the general public in foreign policy. We have learned that Turkish poppies, Japanese trade surpluses, international terrorism, and oil spills by tankers, whatever the ownership, all have real and direct meaning for us as Americans. Although there has been some talk of neoisolationism as a response to the slings and arrows of an unruly outside world, such ideas are simply not realistic for a country so deeply and irrevocably involved in the outside world as we have become. While there is undoubtedly much sentiment for a reassessment of our role abroad, we can only anticipate a more active role for the American people in the

¹ Made before the North Shore Women's Group of the Council on Foreign Relations at Wilmette, Ill., on Oct. 18 (press release 266 dated Oct. 19).

foreign policy process over the next years.

—A reassessment of our role is a matter of central concern. Changing conditions have permitted us to begin to shed part of the unnaturally heavy burden that we have carried since World War II at a time when our society is turning necessarily and intensively to domestic ills. Not only have we need to assess our resources and review our priorities; the recognition of our own shortcomings has also bred a healthier degree of skepticism as to our own ability to solve the problems of others.

—Lastly, there are new sets of problems that confront us in international affairs: the proliferation of sovereign entities, population pressures, the threat of pollution to the biosphere, a geometric increase in demand for a finite amount of natural resources, to name only a few.

Some propose extreme responses to these new issues while others feel that we can carry on “business as usual” and survive. Perhaps diplomacy disposes us to look for the reasonable middle ground, but it is also very much in the tradition of this country to react moderately. We do not offer radical prospects for reform. Not that this means we believe all is going smoothly in the best of all possible worlds. What it does mean is that we try to match the need for change with the need for continuity and stability. Let me illustrate this with a few examples.

Viet-Nam Policy

Southeast Asia, and especially Viet-Nam, has posed the most painful policy problem for this country, at least since World War II and in some ways perhaps since our own Civil War. You are all familiar with what has been done in the past years with the double objective of terminating American involvement in the conflict and allowing the people of South Viet-Nam to shape their own future free from outside interference.

Today, as you are all aware from your newspapers, is a particularly delicate moment for any speculations. I can only emphasize that this administration continues a

determined effort to bring about a peaceful settlement. The future of Viet-Nam and all of Southeast Asia could be bright; we stand ready to contribute to the development of the region, leaving it to the component states themselves to determine their ultimate direction.

Situation in the Middle East

The Middle East has remained relatively quiet for the past 27 months as a result of a cease-fire that the United States sponsored, but it also remains the greatest potential danger spot in the world today. Intensity of bitterness, intractability of attitudes and interests, involvement of the great powers, and strategic importance all come together in this land bridge joining three continents. Despite strong rhetoric on both sides, a possibility of peace in the Middle East remains. Again, however, it is the parties directly involved who must find the way to peace. We have on several occasions sought to build bridges between the parties, or at least to suggest some shallow spots that might be forded, and we will continue to do so whenever our advice and assistance seem helpful. We do not, however, seek to impose solutions either unilaterally or in concert with other outside powers. Solutions must be found by the people who have to live with them.

While the United States has a special concern with Israel, we do not accept the view that our relationship with Israel must polarize the Middle East or jeopardize our relations with other states in the region. Despite various points of difference with Arab countries, we are fortunate to have a long history of good relations with Saudi Arabia, Jordan, Kuwait, Morocco, Tunisia, and Lebanon. Two other Arab countries, the Yemen Arab Republic and the Sudan, have reinstituted diplomatic relations with the United States in the past year; and in Egypt and Algeria, day-to-day business is carried on in our mutual interest despite the absence of formal diplomatic ties.

We also foresee greater European involvement in Middle Eastern matters as the European Economic Community builds its ties to

the nations of north Africa and the Middle East. We see such involvement as a healthy sign of diversification and depolarization in the region, although we would be seriously concerned if it were accomplished in a way which discriminated against us by, for instance, the creation of a preferential trading bloc.

Another element in the Middle East situation is the question of oil. In the recent past it has been gratifying to see interested parties moving from contention and mistrust through negotiation toward settlement on a basis of interdependence. Any matter of such importance as oil will inevitably breed disputes and misunderstandings, but the statesmanlike moves by both the producing countries and the oil companies toward a new relationship have been of extraordinary importance.

Energy, and especially oil, is one of those areas where all producers and consumers—that is to say, nearly everybody—must exercise a maximum of creativity if supply and demand are to be kept in balance. Demand, as you know, is increasing at a phenomenal rate. While we are assured of an adequate supply for some years to come, we must now assume our responsibility to future generations to find ways of guaranteeing an adequate energy supply. There is an urgent need for an energy policy that is comprehensive in dealing with all types of energy and with all producing and consuming countries. Planning has already begun; more will be done in the coming years.

The Subcontinent of South Asia

Another region has occupied much of our attention in the past year—the subcontinent of South Asia. Recent upheavals there have created a new nation, truncated an old one, and greatly enhanced the regional power status of a third; and all three, Bangladesh, Pakistan, and India, are among the world's 10 most populous nations.

Since the end of British rule in South Asia, we have made major contributions to all of the countries in the region. Our friendship and, within available resources, our economic

assistance have been available to those who need it. We maintain our interest in the future of South Asia, but our role must be consonant with the realities of the situation. The preponderant power of India in that area is a reality, as are the legitimate concerns of Pakistan, Bangladesh, and the smaller states of the region. We have no desire to gain a special position of influence for ourselves nor to interfere in the process by which the South Asian states find a *modus vivendi* that will permit them to pursue the urgent tasks of development free from fear of outside intervention. At the same time, however, we would wish to receive treatment equal to that accorded other external powers.

Our View of the Third World

Today there is often emphasis on five major powers: the U.S.S.R., China, Japan, Europe in the form of the European Community, and the United States. But we recognize fully that the world is not a pentagon of five powers; the countries of the Third World form a vital and integral part of the world neighborhood in which we live. Means must be found to insure participation by these nations in the prosperity of the northern half of the globe and insure them a political role appropriate to a contemporary world.

Three themes run through our policy toward Africa, Asia, and Latin America:

—We remain willing to help them in their economic development and to aid them in other fields when they seek our assistance. The pressure on our resources and those of the other more affluent nations is great, but the affluent nations must find ways of providing more help lest we create a world in which a poverty-stricken Southern Hemisphere is arrayed against a defensively affluent North.

—We are aware, as I have noted previously, of the limitations on the ability of any outside power, including the United States, to decisively influence the future of other nations. Neither we nor the Soviet Union nor China can or should seek to be the arbiter of developments in the Third World.

—And, as President Nixon and Chairman Brezhnev set forth in the Moscow statement, neither we nor the Soviets should seek unilateral advantage at the expense of the other.²

New Relations With the Larger Powers

Without diminishing our interest in the Third World, many of our principal foreign policy concerns, over the next decade at least, will be with two other groups of states:

—The nations of western Europe and Japan, which share with us a high level of affluence and for the most part are bound to us in ties of alliance or at least friendship and familiarity; and

—The large Socialist states, China and the U.S.S.R., whose relationship with us is still adversarial and likely to remain so for some time to come.

There have been dramatic changes in our relationships with both of these groups of states over the past several years. The clear patterns of black and white that characterized relationships in the postwar world are less distinct, and President Nixon has made it a major element of his foreign policy to reorder our relationships in ways that correspond to these new world realities. In the coming years we will want to consolidate the progress already made and, most important, to insure that momentum is not lost. We simply cannot afford to recede from the era of negotiation that the President has launched back into an era of confrontation.

We have moved from the black-and-white situation of earlier years, but the shades of gray are still distinct and will remain so. We know who are our friends, and we know that we must take care to maintain these friendships.

The reasons for the shades of gray seem to me to be twofold: the obvious decline in bipolarity in international affairs, and less obviously, the growth of worldwide interde-

pendence across a broad range of issues. The two are of course interrelated—perhaps the different sides of the same coin.

The Decline in Bipolarity

A major element in the decline of bipolarity has been the emergence of new power centers on the world scene—western Europe, Japan, and China. The first two of these owe their new-found roles in large part to their economic growth, a process in which the United States can be proud to have played a vital part. The expanded European Community is the world's largest trading entity, with a combined gross national product of about \$800 billion—some three-quarters of our own and steadily heading upward. Japan has now become the world's third largest producer of goods and services, following only the United States and the Soviet Union. Its gross national product is \$250 billion, and some economists expect it to reach our own current level of some \$1 trillion by the end of this decade.

The third newcomer is China—among the poorer nations of the world when judged on a per capita basis, but in terms of population, military strength, and political influence, one of the major actors on the world stage. Recognition of China's new status was symbolized by its entry into the United Nations last year.

The rise of new power centers by definition relates to the decline in the bipolar structure of the world. Even within what used to be called blocs, power has been diluted—China rivals the Soviet Union politically; western Europe and Japan rival us economically. It is a fact of life that the United States and the U.S.S.R. have declined in relative influence over the past years, and this devolution of power is not an unhealthy phenomenon.

At the same time, another manifestation of the decline in bipolarity has been the gradually emerging détente between the United States and the Soviet Union and, in a somewhat different sense, between the United States and China. The President's Peking

² For text of the basic principles of relations signed at Moscow on May 29, see BULLETIN of June 26, 1972, p. 898.

and Moscow visits were major achievements. We have no illusions that all problems with these great nations are behind us or that the nuclear balance has ceased to be a central fact in world affairs. In pursuit of détente, we can only move with deliberate speed—there are still many uncertainties and dangers—and a strong and effective military posture is an indispensable part of the search for détente.

Growth of World Interdependence

President Nixon has set the goal of “a structure of peace to which all nations contribute and in which all nations have a stake.”³ What this means quite simply is that the burgeoning sets of interactions among states should lead to a structure of interdependence in which each state has a greater interest in the smooth functioning of the overall structure than it has in taking any action to its unilateral advantage that would put the structure in jeopardy.

In our dealings with the Soviets and Chinese, we see interdependence fostered by trade and exchanges of persons. Cooperation on such problems as pollution and the law of the sea also contributes, but Soviet and Chinese involvement in the growth of interdependence is much slower and more fitful than the corresponding growth within the non-Communist world.

An important element in our relations with the Soviet Union—and, we hope, ultimately with China—is the recognition of mutual advantage in reducing rivalry at the strategic level. The first round of the Strategic Arms Limitation Talks, culminating in the treaties signed by the President in Moscow, was a major step in this direction. We were able to slow down some aspects of this fruitless competition while still insuring that our vital security interests are fully protected. A major item on the agenda for the future will be the next series of SALT talks, which should begin soon.

Generally speaking, enhanced interdependence with the Communist countries seems only a plus in the ledger. The great expansion of interdependence among ourselves, the

Europeans, and Japanese, while equally welcome and necessary, brings with it new problems. We must accept the fact that any relationship, as it grows in intimacy, will force both sides to make adjustments that are often uncomfortable.

The economic arena is the scene of particularly difficult problems. The monetary and trade structures that were created after the Second World War lacked the capacity to adapt to the tremendous changes of the past decade. On August 15, 1971, President Nixon moved forcefully toward the creation of new structures that would protect our legitimate interests and correspond to the realities of the 1970's. This initiative was essential in preventing a decline into economic anarchy where each major economic unit would feel compelled to cultivate its own interests with little concern for others. I can conceive of no more severe blow to the fruitful interdependence that has grown among the economically advanced states in recent years.

The corner is being turned, however. President Nixon's and Secretary of the Treasury Shultz's speeches at the joint annual meeting of the IBRD and IMF [International Bank for Reconstruction and Development and the International Monetary Fund] last month were extraordinarily well received. The meeting accepted the need for a serious effort to reform the world's monetary system, and we are scheduled to begin comprehensive trade talks in 1973. Without expecting rapid agreement, we are determined to build durable structures that will include reduction of trade barriers among the advanced countries while offering substantial advantages to the less developed.

In the political arena we, together with our European friends, will probably soon embark on two vital sets of negotiations that should strengthen our mutual ties while further engaging eastern Europe and the Soviet Union. These are the related negotiations on mutual and balanced reduction of forces (MBFR)

³ The complete text of President Nixon's foreign policy report to the Congress on Feb. 9 appears in the *BULLETIN* of Mar. 13, 1972; “Part I: 1971—The Watershed Year—An Overview” begins on p. 314.

and the Conference on Security and Cooperation in Europe.

Important strides have been made in recent years toward a normalization of affairs in Europe, notably in German Chancellor Brandt's Ostpolitik, which we have supported. In the CSCE, we look for agreements that will respect the legitimate interests of all concerned and reduce tensions in Europe.

The talks on force reduction are related to the core of our security posture—the NATO alliance. Two elements are of particular importance: the relationship of forces between NATO and the Warsaw Pact countries and, ultimately, the composition of the NATO forces. We are firmly committed to keeping the necessary American forces in Europe. The maintenance of these forces is costly to us, and over time we count on Europe's assuming a still greater share in the burden of defense, consonant with its increased capabilities. We enter the MBFR negotiations, therefore, with the hope that they will result in a stable balance of forces on the Continent that will contribute to a "structure of peace." Even more important, we enter the negotiations knowing that the security of Europe is one of the foremost of our vital national interests.

Although interdependence in Asia is not as far advanced as it is in Europe, the signs are also apparent. The legacy of World War II has been put behind as the nations of Southeast Asia find that economic and political cooperation can pay substantial dividends. Japan is experimenting carefully in establishing a mutually satisfactory relationship with the nations of the region, and we expect that China will follow suit. We, too, are involved and will remain involved even after a Viet-Nam settlement, albeit in different and more productive ways. The potential of Southeast Asia is great and stands its best chance of being realized if all concerned powers approach the region on a basis of mutuality.

One could easily devote a speech much longer than this one to the specific manifestations of interdependence: the growth of the

multinational corporation, the concerted action necessary for dealing with problems of the environment, the spread of the youth culture, the tremendous upsurge in international tourism, and the many other indices that show how in many regards the world has indeed become one.

What I have said today projects an outline of our present and future foreign policy. I believe there exists a broad basis for consensus on the future of the world—both within this country and with other countries, whether they be adversaries, allies, or neutrals. The task of articulating and giving form to this consensus will engage the efforts of many for much more than the next four years. It is a task in which you, concerned citizens, and we, government officials, should both participate, because it is the future of our country and our world that we will be shaping.

FSI Advisory Committee Holds First Meeting

The Department of State announced on October 20 (press release 269) that the Advisory Committee of the Foreign Service Institute would hold its first meeting on October 30. The Committee was established by Secretary Rogers to advise the Department as to the general character and scope of educational and training needs and programs and to make recommendations as to future operations.

The Foreign Service Institute, which celebrated its 25th anniversary in March of this year, is the training arm of the Department of State and of other U.S. Government agencies with responsibilities in foreign affairs. The Institute offers training in many fields related to the conduct of foreign affairs.

The Director General of the Foreign Service, Ambassador William O. Hall, is Chairman of the Advisory Committee; and Dr. Howard E. Sollenberger, Director of the

Foreign Service Institute, is Vice Chairman.

Nine distinguished citizens serve as public members of the Committee. They are:

RUTH M. ADAMS, vice president, Dartmouth College, Hanover, N.H.

FRANCIS MARION FLYNN, president and publisher, New York Daily News

WELDON BAILEY GIBSON, vice president, Stanford Research Institute, president, SRI International, Stanford, Calif.

JOHN W. HANES, JR., partner, Wertheim and Company, New York, N.Y.

JAMES L. HAYES, president and chief executive officer, American Management Association, New York, N.Y.

PHILIP H. TREZISE, senior fellow, Brookings Institution, Washington, D.C.

CALVIN LEE, chancellor, University of Maryland, Baltimore Campus

SHEILA RABB WEIDENFELD, producer, "Panorama," WTTG-TV, Washington, D.C.

W. CLYDE WILLIAMS, president, Miles College, Birmingham, Ala.

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.

Ratification deposited: Spain, October 30, 1972.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971.¹

Ratified by the President: November 1, 1972.

Ratification deposited: United States, November 1, 1972.

Signature: Laos, November 1, 1972.

Ratification deposited: Spain, October 30, 1972.

Hydrographic Organization

Convention on the International Hydrographic Organization, with annexes. Done at Monaco May 3, 1967. Entered into force September 22, 1970. TIAS 6933.

Ratifications deposited: Dominican Republic, September 21, 1972; Poland, September 22, 1972; Venezuela, September 14, 1972.

Narcotic Drugs

Single convention on narcotic drugs, 1961. Done at New York March 30, 1961. Entered into force December 13, 1964; for the United States June 24, 1967. TIAS 6298.

Accession deposited: Dominican Republic, September 26, 1972.

North Atlantic Treaty—Technical Information

NATO agreement on the communication of technical information for defense purposes. Done at Brussels October 19, 1970. Entered into force February 7, 1971. TIAS 7064.

Ratification deposited: Turkey, October 27, 1972.

Nuclear Weapons—Nonproliferation

Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force March 5, 1970. TIAS 6839.

Ratification deposited: Dahomey, October 31, 1972.

Oil Pollution

International convention relating to intervention on the high seas in cases of oil pollution casualties, with annex. Done at Brussels November 29, 1969.¹

Accession deposited: Liberia, September 25, 1972.

Postal Matters

Parcel post agreement, final protocol, and regulations of execution of the Postal Union of the Americas and Spain. Done at Santiago November 26, 1971. Entered into force July 1, 1972.

Ratified by the President: October 31, 1972.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Done at New York December 21, 1965. Entered into force January 4, 1969.²

Signature: Turkey, October 13, 1972.

Safety at Sea

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London November 26, 1968, and October 21, 1969.¹

Ratified by the President: October 31, 1972.

Convention on the international regulations for preventing collisions at sea, 1972. Done at London October 20, 1972. Enters into force 12 months after the date on which at least 15 states fulfilling certain requirements have become parties to it, but not before January 1, 1976.

Signatures: Belgium, Bulgaria, Finland, Federal Republic of Germany, Ghana, Iceland, Indonesia, Italy, Khmer Republic, Kuwait, Norway, Poland, Portugal, Sweden, United Kingdom, United States, October 20, 1972; Korea, October 23, 1972.³

¹ Not in force.

² Not in force for the United States.

³ All subject to ratification, acceptance, or approval.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annexes. Done at Washington August 20, 1971.¹

Accession deposited: Zambia, November 1, 1972.

Operating agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annex. Done at Washington August 20, 1971.¹

Signature: Zambia, November 1, 1972.

Seabed Disarmament

Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the seabed and ocean floor and in the subsoil thereof. Done at Washington, London, and Moscow February 11, 1971. Entered into force May 18, 1972. TIAS 7337.

Accession deposited: Zambia, November 1, 1972.

Seals—Antarctic

Convention for the conservation of Antarctic seals, with annex and final act. Done at London June 1, 1972.¹

Signature: Australia, October 5, 1972.

Telecommunications

Partial revision of the 1959 radio regulations, as amended (TIAS 4893, 5603, 6332, 6590), on space telecommunications, with annex. Done at Geneva July 17, 1971. Enters into force January 1, 1973. TIAS 7435.

Notification of approval: Philippines, August 22, 1972.

BILATERAL

Belgium

Memorandum of understanding on the regulation of passenger charter air services, with annexes. Signed at Brussels October 17, 1972. Entered into force October 17, 1972.

Netherlands

Agreement for the financing of certain educational exchange programs. Signed at The Hague October 16, 1972. Enters into force on the date of receipt by the United States of a written notification from the Netherlands stating that the constitutional requirements for the entry into force of the agreement have been met.

Norway

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and property, with related notes. Signed at Oslo December 3, 1971. Enters into force November 29, 1972.

Proclaimed by the President: October 31, 1972.

Pakistan

Agreement for financing certain educational exchange programs, as amended (TIAS 2116, 3919, 5108, 6301). Signed at Karachi September 23, 1950. Entered into force September 23, 1950.

Terminated: October 18, 1972.

Agreement for financing certain educational exchange programs. Signed at Islamabad October 18, 1972. Entered into force October 18, 1972.

Panama

Agreement confirming the cooperative agreement between the Panamanian Ministry of Agriculture and Livestock and the U.S. Department of Agriculture for the prevention of foot-and-mouth disease and rinderpest in Panama. Effected by exchange of notes at Panamá June 21 and October 5, 1972. Entered into force October 5, 1972.

Paraguay

Agreement on the control of the unlawful use of and illicit trafficking in narcotics and other dangerous drugs. Signed at Asunción October 26, 1972. Entered into force provisionally October 26, 1972; definitively, on the date on which Paraguay, once the appropriate constitutional procedures have been carried out, informs the United States of its ratification.

Spain

Agreement extending the provisional air transport agreement of June 28 and 30, 1972 (TIAS 7398). Effected by exchange of notes at Washington October 30, 1972. Entered into force October 30, 1972.

United Kingdom

Agreement relating to the construction, maintenance, and operation of a limited naval communications facility on Diego Garcia, with annex. Effected by exchange of notes at London October 24, 1972. Entered into force October 24, 1972.

¹ Not in force.

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Releases issued prior to October 30 which appear in this issue of the BULLETIN are Nos. 266 of October 19 and 269 of October 20.

No.	Date	Subject
*272	10/31	U.S. and Israel sign agreement on option to purchase site in planned International Center, Washington.
†273	10/31	Signing of U.S.-Poland agreement on science and technology.
274	11/2	Porter: 165th plenary session on Viet-Nam at Paris.
*275	11/2	Crawford sworn in as Ambassador to the Yemen Arab Republic (biographic data).

* Not printed.

† Held for a later issue of the BULLETIN.

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THE
DEPARTMENT
OF
STATE

BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXVII, No. 1744

November 27, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

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Secretary Rogers Interviewed on "Meet the Press"

Following is the transcript of an interview with Secretary Rogers on the National Broadcasting Company's television and radio program "Meet the Press" on November 5. Interviewing the Secretary were Joseph Kraft of Publishers-Hall Syndicate, Alvin Rosenfeld of NBC News, Frank C. Starr of the Chicago Tribune, Henry Trehwitt of Newsweek, and Lawrence E. Spivak, permanent member of the "Meet the Press" panel, moderator.

Press release 276 dated November 6

Mr. Rosenfeld: Mr. Secretary, Senator McGovern has charged that Mr. Nixon practiced cruel political deception in "pretending to be near a negotiated settlement in Viet-Nam." Since he has directly challenged the administration's account of the search for peace, could you tell us just where we stand now?

Secretary Rogers: Yes. I want to say first that I think that charge by Mr. McGovern was very irresponsible, and I think it shows that it was an act of desperation in the final days of the campaign.

We do have an agreement that we have worked out with North Viet-Nam that I am confident can be completed in the near future. I have had meetings with several governments who are familiar with the details of the negotiations that have been conducted, and I think there is a general feeling throughout the world that this war is coming to an end. I think it will in the near future. I regret very much that Mr. McGovern made that charge. I don't think it becomes a man who is running for President of the United States

to say that. We are doing everything we can to end this war, and I am completely satisfied myself that it is near an end.

Mr. Rosenfeld: Well, it is difficult to know exactly where we stand, Mr. Secretary. Ten days ago when he said peace was at hand, Dr. Kissinger [Henry A. Kissinger, Assistant to the President for National Security Affairs] spoke of the items separating the two sides as ambiguities, technicalities, nuances.¹ The other night the President spoke of his insistence that the central point be clearly settled.² How do you explain this difference in emphasis?

Secretary Rogers: Well, I think it is largely a matter of words. I don't think there is any inconsistency there. I think what the President had in mind is that there is some ambiguity about some of the central issues—for example, when the international supervisory force comes into play, how it gets in place in Viet-Nam; also on the question of what "administrative structure" means. But those are matters that we believe—and I am confident that we can work them out—can be worked out by further discussions. I don't believe it will take too many more discussions to work them out.

Mr. Kraft: Mr. Secretary, you just said you were very confident peace was on its way in Viet-Nam. Could you indicate why?

¹ For the transcript of a news conference held by Dr. Kissinger at the White House on Oct. 26, see BULLETIN of Nov. 13, 1972, p. 549.

² For an excerpt from President Nixon's address to the Nation on Nov. 2, see BULLETIN of Nov. 20, 1972, p. 605.

What are some of the things the other side has done that makes you and other officials I have spoken to so confident?

Secretary Rogers: Mr. Kraft, I'd like to first tell Mr. Spivak how pleased I am to be on this 25th-anniversary program and to say that I think this program has been very much in the national interest. It has contributed to a better public understanding of issues, and I am very privileged to be here.

Mr. Spivak: Thank you, Mr. Secretary.

Secretary Rogers: Mr. Kraft, I think that there are three principal factors, aside from the discussions themselves, which obviously lead us to the conclusion that we are about to complete an agreement. The first is: There is an awareness, I think, and a full realization on the part of the major nations that have been supporting this struggle in Indochina that it does not serve anyone's interests to continue. So I think there is that recognition on the part of major suppliers that the war should end.

Second, I think the people in Indochina have come to the conclusion that a military solution is not possible, that the problem should be solved by political methods and not by military means. And I think that is very important. I think that applies not only to North Viet-Nam and to South Viet-Nam but to Laos and Cambodia.

Third, I think there is a recognition that there is a willingness on the part of the United States and other nations and international organizations to take part in reconstruction, rehabilitation, and development of Indochina. Now, this is a very wealthy, rich part of the world in terms of resources, and I think that once they have made that decision and once we start—when I say “we,” I don't mean just the United States, but I mean other major nations in the world—to help in rehabilitation and reconstruction of the area, there (will be) incentives for the political solution to be worked out among the Vietnamese.

Mr. Kraft: There has been an indication

on the part of the Communists in the talks that they are really interested in reconstruction. For example, have they mentioned a figure or a period of years?

Secretary Rogers: I don't want to go into what they mentioned specifically, except to say “yes” in answer to your question. Yes, they are interested in reconstruction. As you notice in the release from Hanoi, they refer to that. I think they are genuinely interested in the reconstruction of Indochina.

Mr. Starr: Mr. Secretary, there was a report this morning quoting North Vietnamese negotiator in Paris Xuan Thuy as saying that they don't really object to another meeting before the signing of the agreement. This appears to be the sort of signal that we have been looking for, or is it?

Secretary Rogers: Yes, it is. And we also have been in communication with the other side in diplomatic channels, and I have every reason to think that the negotiations in the private channels will resume in the near future.

Mr. Starr: If you come to a concrete answer to that—in other words, what concrete evidence can you offer that we are getting toward an agreement in the near future?

Secretary Rogers: Well, I think if the private negotiations resume—and as I just said I think they will, soon—we still agree on all of the basic principles that were enunciated by Hanoi in its press release on October—I think it was October 26.

There are some ambiguities that have to be straightened out. For example, we have to decide what “administrative structure” means. There was some suggestion on the part of the North Vietnamese that they may interpret that differently than we do. I don't believe it. I think that we can work that out when we meet.

I think we also have other problems to work out, such as: When does the international supervisory machinery take its position in Indochina? How soon after the cease-

fire? But I don't believe that we have many basic problems, problems that can't be resolved fairly soon; and that is why when Dr. Kissinger said that he can resolve those issues in one more series of meetings, I agree fully. I think that is what will happen.

Mr. Starr: There is one ambiguity that appears to have arisen in the past few days. As you know, President Nixon for a long time talked about a cease-fire throughout Indochina. The agreement draft as we have seen it talks about only South Viet-Nam. Yesterday Mr. Nixon again said Indochina-wide. Which is right?

Secretary Rogers: Well, they are both right. The agreement itself as drafted refers principally to South Viet-Nam, but there is also an article that refers to Laos and Cambodia and that provides that Laos and Cambodia cannot be used to provide military supplies or personnel to South Viet-Nam. It also provides for withdrawal of foreign forces from Laos and Cambodia.

Therefore, we expect that the cease-fire will occur at South Viet-Nam (and) will also occur at Laos and Cambodia within the same time frame. Not necessarily simultaneously, but we hope it will be simultaneously.

Mr. Trehitt: Mr. Secretary, you have mentioned the "near future" and "fairly soon" as the context for agreement. Can you refine that a bit? Are we talking about days, weeks, months?

Secretary Rogers: Well, we are talking about more than days, and in terms of weeks and months I would prefer not to say. I think it would be several weeks. Whether it runs into more than that I am not sure. But I think it is quite possible that we will have one, as I say, in the near future, and I don't think it would be advisable to be any more precise than that. I have no doubt, though, about the outcome.

Mr. Trehitt: Mr. Secretary, for an outsider in this affair, it strikes me that one of the most critical aspects of it is the element

of international supervision. We have had agreements in 1954 which went sour, agreements in 1962 which went sour regarding Laos. Why do you believe that international supervision in this case will work more successfully than in the past?

Secretary Rogers: Well, first, Mr. Trehitt, I think we all have to recognize there may be problems. There are going to be difficult matters that arise; there will be controversies and so forth. I don't mean to suggest we think the road will be an easy one to travel, but I think it will work this time because, as I said to Mr. Kraft, I think the parties have decided they can't solve these problems by military force. And if that is the case, and I think it is, then they will try to solve them by political means. That doesn't mean there won't be a lot of pulling and hauling in an attempt to take advantage—each side will try to take advantage of the other politically—but we don't think it would mean there would be a renewal of the hostilities.

Mr. Trehitt: I assume when you refer to the parties in this case you are referring to Moscow and Peking as well as the North Vietnamese?

Secretary Rogers: No, I am talking about North Viet-Nam and South Viet-Nam.

Mr. Trehitt: Are you suggesting that Moscow and Peking have had no influence on North Vietnamese—

Secretary Rogers: I didn't say that. I said in terms of renewal of hostilities.

Mr. Spivak: Mr. Secretary, may I ask you a question? President Thieu of South Viet-Nam is being made the villain in the negotiations for peace in Viet-Nam. Is he the major obstacle now, or is he a major obstacle?

Secretary Rogers: I don't think it is fair to single him out as a villain. After all, he has been the leader of his country for a long time, and we have been fighting side by side with the South Vietnamese people and obviously he has a very deep and important inter-

est in the outcome of the conflict in South Viet-Nam. So he obviously has to protect his interests, the interests of his nation. He has to represent his people, and we are prepared to recognize that. How else could we do it?

Now, he has made some points that we think are valid, and we think that when we discuss these points with the North Vietnamese we can work out accommodations.

Mr. Spivak: Can you tell us how much influence he actually will have? Are we likely to make any kind of a deal unless he agrees to it?

Secretary Rogers: Well, we made it clear that we respect his judgment. We will take into account his views. We obviously attribute great importance to his views because he does represent the South Vietnamese people and they have been fighting along with us since 1965. On the other hand, President Nixon has made it clear that he intends to make his own decisions about our national interests. We think the two can be reconciled. We don't believe we are going to have that kind of a major split with President Thieu, and we are in the process now of discussing these matters with him. We think they can be resolved.

Mr. Spivak: Mr. Secretary, one more question. If this is really an honest search for peace, how do you explain the fact that warplanes, U.S. warplanes, are going from Taiwan, Iran, and South Korea to South Viet-Nam in recent days? What is the purpose for that if we are really searching for peace negotiations?

Secretary Rogers: Well, I think one of the reasons is that both sides, of course, will be suspicious of the borders of the other, and as we withdraw not only men but some material there will be concern on the part of President Thieu and the South Vietnamese people about their defense—whether they have the capability to defend their nation. So this is an effort to reassure them that they will have the necessary supplies in the event the agree-

ment doesn't work out. But that doesn't suggest that we don't have confidence that the agreement will be respected.

Mr. Rosenfeld: Mr. Secretary, the other night the President said the draft settlement would accomplish the basic objectives of his May 8 plan, which included the right of the South Vietnamese people to determine their own future.³ Now, the draft plan calls for a cease-fire-in-place. How will the President's objectives be accomplished when part of South Viet-Nam would be in the hands of the Viet Cong and the rest of it in the hands of a government which I suppose should be described as a semidictatorial military government?

Secretary Rogers: Well, I don't accept the last part of your question, but in any event the agreement provides there will be free and democratic elections and the nature of those elections and who is elected and so forth will be decided by the Vietnamese people and those elections will be supervised internationally. So we expect that the agreement will be carried out. The terms are perfectly clear in the agreement, and if you read the release from Hanoi, you see that they accept the proposition that there should be free and democratic elections in South Viet-Nam.

Mr. Kraft: Mr. Secretary, you have been indicating areas where there is uncertainty and doubt. Is the presence of North Vietnamese troops in South Viet-Nam in their present strength, is that a subject for further negotiations?

Secretary Rogers: That certainly is a subject for discussion, yes, but not necessarily in terms of redrafting the agreement.

Mr. Kraft: You mentioned the elections. To what? When? When are these elections supposed to take place, and what are they for?

³ For President Nixon's address to the Nation on May 8, see BULLETIN of May 29, 1972, p. 747.

Secretary Rogers: The elections are supposed to give the people in South Viet-Nam an opportunity to determine their own future. They are to be free and democratic elections.

Mr. Kraft: For an assembly, for a president—

Secretary Rogers: That would be decided by the PRG [Provisional Revolutionary Government] and the Government in South Viet-Nam, and they are to determine by discussions how those elections are to be held and who they are going to vote for. And it also provides there will be international supervision of those elections.

Mr. Kraft: Do you think those elections are really going to take place? Isn't this really just a replay of '54 when the elections never took place?

Secretary Rogers: Well, you never know for sure, but as I have said, I think that the decision has been made that they can't settle this by military means. And I think there will be an effort to settle it by political means, and certainly the agreement is perfectly clear.

Mr. Starr: Mr. Secretary, I'd like to follow that question. You and the President both have often said that the objective of the United States in South Viet-Nam was to prevent a Communist takeover by force, and yet the political future of South Viet-Nam seems to be exactly the part of the agreement that is the most ambiguous. How can you assure us that there will not be a takeover after we are gone?

Secretary Rogers: Well, because there is a provision that we can continue to support the Government of South Viet-Nam with economic assistance. There is provision that we can continue to provide military equipment on a one-to-one basis, and South Viet-Nam now has a military force of well over a million men, whereas the other side at most has a force of 140,000–150,000 men in South

Viet-Nam. So we have no doubt that the South Vietnamese can prevent a military takeover if there was an attempt to violate the agreement, which we don't expect will happen.

Mr. Starr: I would also like to ask in that regard whether or not our forces in Thailand and in the Gulf of Tonkin would remain. I recall you said recently the Thai Government would probably see to it that we removed our bases there, or at least ask us to.

Secretary Rogers: I don't think I ever said that. I said, if we did not win the election they—

No, we will keep our forces in Thailand, and we will keep our 7th Fleet in the Pacific—that has been clear. There is no doubt about that. That was stated in the White House the other day.

Mr. Trehwhitt: Mr. Secretary, speaking of the election, you are holding out the possibilities of an end of the war in Viet-Nam, in spite of some troubles they have had, in the next few weeks, before the end of the President's term, I would say. You have started a process of détente with Moscow and Peking, which obviously is a major step forward in foreign affairs no matter what the ultimate outcome is. How are you going to top that act in the second four years? How do you expect affairs to go in the next four years, assuming your boss is reelected?

Secretary Rogers: I don't think the conduct of foreign affairs requires you to top yourself. I think the initiatives President Nixon has taken provide a foundation for peace, and we are going to continue to build on that foundation. It is not necessarily a process that requires dramatic action at every step of the way, but it does require continuation of the policy that has been successful. For example, we are going to take part in the European Security Conference next year, including all the European countries and Canada. We will take part in a negotiation on mutual and balanced force reduction

in Europe. We will continue the SALT talks [Strategic Arms Limitation Talks], Phase II of the SALT talks. So we will have a series of on-going negotiations with the Soviet Union and with other countries in eastern Europe, and we will continue to support the commitments that we have undertaken in the Pacific. And we will have this Indochina conference I referred to, dealing with Indochina; and we will continue to improve our relations with Japan and certainly with the PRC.

I believe because President Nixon's foreign policy has been successful, and I think everyone agrees that it has been successful, that he has provided a foundation for a generation of peace; and we are going to do everything we can in the second term of this administration to make that possible.

Mr. Trewhitt: Mr. Secretary, you did not mention the Middle East, which is one in which there has been very little overt movement beyond the establishment of a cease-fire two years ago. What do you intend to do about that?

Secretary Rogers: Well, Mr. Trewhitt, I am glad you mentioned the cease-fire, because that is, I think, a major achievement. There isn't as much attention focused on peace as there is on war, but we have had a cease-fire in the Middle East now for about 27 months.

We are going to do what we can diplomatically to see if we can get negotiations started between Egypt and Israel, and very soon now we will be very active in discussions of that kind to see if we can get negotiations started. We think that the Security Council Resolution 242 has to be implemented fully, but we think that a good beginning is to attempt to work out an agreement between Egypt and Israel that would open the Suez Canal, have a partial withdrawal, and have a commitment to full implementation of Security Council Resolution 242.⁴

Mr. Spivak: Mr. Secretary, Sargent Shriver, the Democratic vice-presidential candidate, challenged President Nixon's administration to say what the American role in

Viet-Nam would be in the event that a peace agreement, once made, broke down. Once we are out of Viet-Nam and our prisoners returned, are there any circumstances under which we would return? What would our position be?

Secretary Rogers: We are not going, of course, to answer hypothetical questions of that kind, but we expect that the agreement, when completed, will be observed. We recognize there will be problems which develop, but we don't expect they will be military problems. We are going to contribute substantially to the reconstruction, rehabilitation, and development of that area, and in that way we think we can contribute to peace in Indochina.

Mr. Spivak: Mr. Secretary, this isn't hypothetical. Once we are out, we are out.

Secretary Rogers: Yes, we are out. I expect the agreement we will sign to be controlling insofar as the future of Indochina is concerned.

Mr. Rosenfeld: A technical question, Mr. Secretary, which might be of some political importance. This agreement that you speak of and hope for, would it be an agreement, an executive agreement, or would it be a treaty subject to senatorial approval?

Secretary Rogers: No, it will not be a treaty. It will be an executive agreement, and I don't believe there has been any request that it be treated as a treaty. I would like to say, Mr. Rosenfeld, one other thing. There has been a lot of discussion about whether this was all done as part of some election process, whether it was a gimmick for the election. And of course if you look at the release from Hanoi, you can see that Hanoi itself says that the negotiations were stalemated until October 8 this year and that they agreed at that time to take a new initiative. And they point out that that initiative

⁴ For text of Security Council Resolution 242 of Nov. 22, 1967, see BULLETIN of Dec. 18, 1967, p. 843.

was in fact the acceptance of the proposal made by President Nixon on May 8. So what they did on October 8 was to accept the proposals that President Nixon made, substantially. That is why it developed as it did, and the release also says that they were the ones to propose that the final signing take place in October.

Mr. Kraft: Mr. Secretary, I would like to ask you a question that is not in the foreign affairs area. The White House spokesman, Mr. Ziegler, has been saying that the Washington Post in its coverage of the Watergate affair has been politically motivated. You know the people on the Post pretty well. You were counsel for the paper for a while. Is it your judgment that that coverage was politically motivated?

Secretary Rogers: Oh, I don't have any judgment on that, Mr. Kraft. I am so immersed and involved in foreign affairs that I frankly don't read much of it.

Mr. Kraft: You are just prepared to walk away from it and let it stand? This is a judgment about people, Mr. Secretary—

Secretary Rogers: I don't want to get into an argument between the government and any newspaper, but let me say that President Nixon, as soon as he found out about this stupid action in the Watergate, ordered a full FBI investigation. The investigation has been conducted. Those responsible have been indicted, and they are going to be tried.

Mr. Spivak: Thank you, Secretary Rogers, for being with us today. I am sorry I must interrupt.

Four Powers Reaffirm Rights and Responsibilities in Germany

Press release 279 dated November 9

Following is the text of a declaration agreed upon during negotiations held in Berlin between October 23 and November 5 among the Four Powers concerning their rights and responsibilities regarding Berlin and Germany as a whole.¹

DECLARATION OF THE GOVERNMENTS OF THE UNITED STATES OF AMERICA, THE FRENCH REPUBLIC, THE UNION OF SOVIET SOCIALIST REPUBLICS, AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The Governments of the United States of America, the French Republic, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland, having been represented by their Ambassadors, who held a series of meetings in the building formerly occupied by the Allied Control Council, are in agreement that they will support the applications for membership in the United Nations when submitted by the Federal Republic of Germany and the German Democratic Republic, and affirm in this connection that this membership shall in no way affect the rights and responsibilities of the Four Powers and the corresponding related Quadripartite agreements, decisions, and practices.

¹ The declaration was issued simultaneously in London, Moscow, Paris, and Washington on November 9 following the initialing on November 8 of a General Relations Treaty between the Federal Republic of Germany and the German Democratic Republic.

Moving Forward on the Agenda of Peace

*Address by President Nixon*¹

Through the long years of America's involvement in Viet-Nam, our people's yearning for peace has largely been focused on winning an end to that difficult war. As a result, there has often been a tendency to lose sight of the larger prospects for peace in the rest of the world. As peace in Viet-Nam comes closer, we can look to the larger world and the long-term future with hope and satisfaction.

Four years ago I promised that we would move from an era of confrontation to an era of negotiation. I also said that we would maintain our own strength and work to restore that of our alliances, because the way to make real progress toward peace is to negotiate from strength and not from weakness. Because we have done so, the world today is more peaceful by far than it was four years ago. The prospects for a full generation of peace are brighter than at any time since the end of World War II.

In the past four years, we have concluded more and more significant agreements with the Soviets than in all the previous years since World War II. We have ended nearly a quarter century of mutual isolation between the United States and the People's Republic of China. All over the world, the tide toward negotiation is moving. North and South Korea are negotiating with one another. East and West Germany are negotiating with one another. A cease-fire has been in effect for more than two years in the Middle East. The leaders of India and

Pakistan are talking with one another. The nations of Europe, of NATO, and of the Warsaw Pact, are preparing to meet next year in a European Security Conference, and preparations are underway for negotiations on mutual and balanced reduction of armed forces in central Europe.

All this is evidence of solid progress toward a world in which we can talk about our differences rather than fight about them.

Nineteen seventy-two has been a year of more achievement for peace than any year since the end of World War II. This progress did not just happen by itself.

In my inaugural address nearly four years ago, I said that the greatest honor history can bestow is the title of peacemaker, but I also pointed out that peace does not come through wishing for it, that there is no substitute for days and even years of patient and prolonged diplomacy.

For the past four years this Nation has engaged in patient and prolonged diplomacy in every corner of the world, and we have also maintained the strength that has made our diplomacy credible and peace possible. As a result, we are well on the way toward erecting what I have often referred to as a structure of peace, a structure that rests on the hard concrete of common interests and mutual agreements, and not on the shifting sands of naive sentimentality.

That term, "a structure of peace," speaks an important truth about the nature of peace in today's world. Peace cannot be wished into being. It has to be carefully and painstakingly built in many ways and on many

¹ Made to the Nation on radio on Nov. 4 (White House press release).

fronts, through networks of alliances, through respect for commitments, through patient negotiations, through balancing military forces and expanding economic interdependence, through reaching one agreement that opens the way to others, through developing patterns of international behavior that will be accepted by other powers. Most important of all, the structure of peace has to be built in such a way that all those who might be tempted to destroy it will instead have a stake in preserving it.

In the past four years, my efforts to build that structure of peace have taken me to 22 countries, including four world capitals never visited by an American President before—Peking, Moscow, Warsaw, and Bucharest. Everywhere I have traveled I have seen evidence that the times are on the side of peace, if America maintains its strength and continues on course. For example, ever since World War II the world's people and its statesmen have dreamed of putting the nuclear genie back in the bottle, of controlling the dreaded nuclear arms race, but always that race remained unchecked until this year.

In Moscow last May, we and the Soviet Union reached the first agreement ever for limiting strategic nuclear arms. We signed that agreement last month in Washington. This was an historic beginning. It moved back the frontiers of fear. It helped check the dangerous spiral of nuclear weapons. It opened the way to further negotiations on further limitations on nuclear arsenals which will soon begin.

As we pursue these negotiations, however, let us remember that no country will pay a price for something that another country will give up for nothing. If we had scrapped the ABM missile system as many advocated, we would never have achieved the first arms agreement with the Soviets. If we unilaterally slashed our defenses now as our opponents in this election advocate, the Soviets would have no incentive to negotiate further arms limitations.

Or take another example: After 10 years

of recurring international monetary crises, we took bold actions a year ago to strengthen the dollar and to bring about a reformed international monetary system that would be fair to the United States and fair to the world. The result of these actions has been a solid and substantial beginning on just such a system, and the stage is now set for an international effort to achieve some of the most important monetary and trade reforms in history. As we complete these reforms in the years ahead, we can usher in a new age of world prosperity, a prosperity made even greater by the rapid expansion of peaceful trade that is now taking place, not only with our traditional trading partners but also with nations that have been our adversaries.

I cite these simply as examples of the broad, unfinished agenda of peace that now lies before us, the agenda of new starts made, of negotiations begun, of new relationships established, which now we must build on with the same initiative and imagination that achieved the initial breakthroughs. As we move forward on this agenda, we can see vast areas of peaceful cooperation to be explored.

We agreed in Peking to pursue cultural, journalistic, educational, and other exchanges so that the world's most prosperous nation and its most populous nation can get to know one another again.

We agreed in Moscow to cooperate in protecting the environment, explore in space, fight disease. This means the day is fast approaching when a Russian cosmonaut and an American astronaut will shake hands in space, when a Russian chemist and an American biologist will work side by side to find a cure for cancer; and each time our nations join hands in the works of peace, we advance the day when nations will no longer raise their hands in warfare.

Throughout the world today America is respected. This is partly because we have entered a new era of initiative in American foreign policy and the world's leaders and its people have seen the results. But it is also because the world has come to know Amer-

ica. It knows we are a nation of peaceful intentions, of honorable purposes, true to our commitments. We are respected because for a third of a century under six Presidents we have met the responsibilities of a great and free nation. We have not retreated from the world. We have not betrayed our allies. We have not fallen into the foolish illusion that we could somehow build a wall around America, here to enjoy our comforts, oblivious to the cries or the threats of others. We have maintained our strength.

There are those today who condemn as a relic of a cold war mentality the idea that peace requires strength. There are those who ridicule military expenditures as wasteful and immoral. Our opponents in this campaign have even described the great bipartisan tradition of negotiating from strength as one of the most damaging and costly clichés in the American vocabulary. If the day ever comes when the President of the United States has to negotiate from weakness, that will be a dangerous day, not only for America but for the whole world.

Those who scoff at balance-of-power diplomacy should recognize that the only alternative to a balance of power is an imbalance of power, and history shows that nothing so drastically escalates the danger of war as such an imbalance. It is precisely the fact that the elements of balance now exist that gives us a rare opportunity to create a system of stability that can maintain the peace, not just for a decade but for a generation and more.

The years ahead will not be easy. The choices will not be simple. They will require an extra measure of care in distinguishing between rhetoric and reality, between the easy temptation and the hard necessity. We will be told that all the things we want to do at home could be painlessly financed if we slashed our military spending. We will be told that we can have peace merely by asking for it, that if we simply demonstrate good will and good faith, our adversaries will do likewise, and that we need do no more. This is dangerous nonsense.

A heavy responsibility lies on the shoulders of those who hold or seek power in today's world, a responsibility not to court the public favor by fostering illusions that peace can be either achieved or kept without maintaining our strength and meeting our responsibilities.

As we approach the end of the war in Viet-Nam, the great question is whether the end of that war will be only an interlude between wars or the beginning of a generation of peace for the world.

Five months ago, I delivered the first television address to the Soviet people ever made by an American President. I tried to tell them something about America, about the people of America, about our hopes, our desire for peace and progress, not only for ourselves but for all the people of the world. In that talk, I repeated an old story told in Russia about a traveler who was walking to another village, who stopped and asked a woodsman how long it would take him to get there. The woodsman replied he did not know. The traveler was angry because he was sure the woodsman lived in the village and knew how far it was. But then as soon as he had gone a few steps further down the road, the woodsman called out to him to stop. "It will take you 15 minutes," the woodsman said. "Why didn't you tell me that in the first place?" the traveler demanded. And the woodsman answered, "Because then I didn't know the length of your stride."

In these past four years, we and the other nations of the world have had a chance to measure the length of our strides. At last we are traveling in the same direction toward a world of peace, toward an era of negotiation and of expanding cooperation. In the next four years, the President of the United States, whoever he is, will negotiate with the leaders of many nations on a broad range of issues vital to America, vital to the world. As we cast our ballots next Tuesday, the world will see whether we have changed the length of our stride. If you approve the beginnings we have made, then your vote on election day to support those policies will

be a message to the leaders of all other nations that the American people are not going to retreat, are not going to surrender. It will strengthen the President's hand immensely as we continue to move from confrontation to negotiation to cooperation all around the world as we build toward a generation of peace.

166th Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Ambassador William J. Porter, head of the U.S. delegation, at the 166th plenary session of the meetings on Viet-Nam at Paris on November 9.

Press release 281 dated November 9

Ladies and gentlemen: Within the last month the prospects for peace have manifestly improved, and we consider that with a display of good will and effort by both sides we can achieve a settlement that will endure.

Beginning with the establishment of a framework for constructive negotiations on October 8, the good will and seriousness of purpose with which you persevered in the negotiating tasks were evident, as we have publicly acknowledged. Recently, however, a note of impatience has crept into your many public statements. I understand this to be the result of the fact that your hopes and ours for a settlement have not yet been realized. We find this impatience understandable in view of the bitterness of the war which we all desire so much to end. For our part, we do not believe in making public statements which might affect the atmosphere adversely at a time when we hope to achieve so much jointly with you. We can and do, however, reaffirm our good faith as we approach what we believe can be the final stage of our negotiations. No one hopes for an end to the war more fervently than we

do. At the same time, however, we believe that the soundness and equity of an agreement are vital considerations which, if that agreement is to endure, must not be sacrificed to haste.

In recent days you have expressed your views concerning the continuing process of strengthening the forces of the Republic of Viet-Nam. This is, of course, similar to what you are seeking to do for your own forces, and we see in these supply efforts a state of affairs which would be halted by both sides as soon as final agreement is reached; thereafter, of course, the provisions of that agreement would apply. With regard to your other concerns, I'll tell you that when we sign an agreement we will scrupulously observe its provisions in the expectation that you will do likewise.

In sum, let all of us choose our words as we should conduct negotiations—with great care. Let us avoid whatever might prejudice the transformation of the relationship between the two sides from antagonism to mutual respect and shared responsibility for restoring and safeguarding the peace of Indochina.

U.S. Contributes Further \$1 Million to U.N. Drug Abuse Control Fund

USUN press release 117 dated October 10

The U.S. Mission to the United Nations on October 10 transmitted, in the form of a letter of credit, to the United Nations Secretary General, a contribution of \$1 million to the United Nations Fund for Drug Abuse Control. This contribution raises to \$3 million the total amount contributed by the United States to the Fund since its inception on April 1, 1971.

The United States continues its firm support for the programs of the Fund, which are designed to halt the scourge of drug abuse through international cooperation.

U.S. Policy in International Economic Affairs

Address by Willis C. Armstrong

*Assistant Secretary for Economic and Business Affairs*¹

I am very pleased to have this opportunity to speak with you today. I am not used to speaking to an audience I can't see, and I feel this is sort of an inhibition; but it is better to have a chance to speak to you this way than not to meet you at all. My subject is American policy in international economics.

Recently, when President Nixon spoke at the meeting of the Governors of the International Monetary Fund and World Bank here in Washington, he indicated our very strong interest in the reform of the international monetary system and in the improvement of the international trading system.² His emphasis was on action on these points and on these fronts in the coming year.

We all recall that the American economy was very strong after the war, that our country had a great lead over all other countries in technology, in capital, and in productive capacity. We were able to help other countries, and we did. We were able to help them get back into a position to grow and to compete. This recovery program was marginally aided by us but depended primarily on the efforts of the other countries themselves. This program was highly successful.

We are in a different situation in the world

today. We now want to ask our partners to look at things in a different light. We want our partners to look at the United States not as the economic colossus on whom so many countries depend, but as a competitor, a partner in a world in which fair competition, economic growth, and stability for all of us can be achieved by an outward-looking approach to international finance, monetary affairs, and trade.

We are all familiar with, and have for some time been nervous over, the recurring monetary crises which the world has experienced in recent years. We all know what happened in the United States on August 15, 1971, when the gold window was closed and when a wage and price freeze was instituted. The United States, in effect, called for a revaluation of currencies. We all know of the rather nervous months that ensued and of the so-called Smithsonian agreement which was reached last December here in Washington, through which a new pattern of exchange rates was established. We all know that the International Monetary Fund and other institutions such as the OECD [Organization for Economic Cooperation and Development] are engaged in working on the problems of monetary reform. We know that all major governments are very busy in this regard, central banks, ministries of finance, et cetera.

Perhaps you would find it useful if I outlined some of our major objectives as we see the situation in the United States. I have just been in some consultations with repre-

¹ Recorded at Washington for presentation on Oct. 18 at Naples, Italy, before an audience of Italian bankers, businessmen, government officials, and journalists.

² For remarks by President Nixon made on Sept. 25 and a statement by Secretary of the Treasury George P. Shultz made on Sept. 26, see BULLETIN of Oct. 23, 1972, p. 457.

sentatives of the Commission of the European Communities, and I have been very interested in hearing of the plans of the European Economic Community for the future; I am sure that you are more familiar with them than I am. I would like to tell you something about the way we look at the future.

Reducing Barriers to Trade

In the first place, the United States intends to maintain a strong, productive, and competitive economy. We intend to make good use of and to develop the best in our technology. We want this for our own people; we want it because other countries expect us to be strong and expect us to play an important role in the world.

As the President said in his speech to the Fund and Bank, and I quote, "We are firmly committed to reaching our goals in this country of strong growth, full employment, and price stability." I might say that since the historic date of August 15, 1971, we have been making excellent progress in the United States along exactly these lines. We have slowed down the rate of inflation. We have expanded employment. We have increased investment and productive capacity, and we have done a great deal to restore a greater sense of confidence in our own economy on the part of our business community and on the part of all our people. We are making progress in our domestic sphere. We do not intend to let this progress be impeded by international problems, but we do intend that this progress, this constructive growth, be a contributor to the solution of international problems.

In the second place, the United States intends to be aggressive in seeking markets for our goods. We had a negative trade balance in 1971 for the first time in nearly 80 years. This came as a great shock and surprise to us; it came as a surprise to a lot of our friends and competitors. We intend to correct this trade imbalance. We would prefer to do it by selling more rather than by buying less. Therefore, in seeking markets

for our goods, we shall vigorously object to discrimination against us wherever it may be, as practiced by other governments or by private groups. We shall also object to unreasonable trade barriers, which really seem unnecessary given the general state of prosperity of the world.

This has a special bearing on our attitude toward the European Community. We do not like the discrimination against us which is involved in the Community's arrangements with Mediterranean countries which are not members of the Community. We regard this discrimination against our trade as unfair to our business in terms of our rights under the General Agreement on Tariffs and Trade. Specifically, I mean the reverse preferences which the Community seeks and gets from countries in the Mediterranean, from other countries in Africa, and from other countries elsewhere in the world. We do not object to general preferences granted to less developed countries by developed countries. We hope to be able to get some necessary legislation to extend such preferences ourselves, and we have been favorably inclined toward the development of such preferences in the past. We do object to special preferences which directly compete with our trade, for example, preferences affecting citrus fruit in the Mediterranean. We do object particularly to the reverse preferences which are extended by the developing countries to the European Community. We therefore can be expected to be vigorous in seeing in the General Agreement on Tariffs and Trade that we get satisfaction on what we think we are entitled to under the rules of that agreement.

There is another area which we find really very disturbing, and that is the European Community's system of agricultural protection. We regard this as unfair to us because it places the level of protection much higher than the general prosperity of the Community would warrant, and we regard this level of protection as unreasonable. We are very efficient producers of large quantities of agricultural products. We feel we do not get a fair break in the Community and a fair op-

portunity to sell our goods. These goods could come to consumers in the Community at lower prices and would thus enable the family food budget in Europe to be reduced. The consumer in Europe as well as the governments of Europe pays a very high price for agricultural protection.

In the third place, I would like to say a word about our imports. We have become the world's greatest importer, particularly of consumer goods. Some of our own industries complain vigorously about this level of imports. In particular, we have had problems in textiles, and we have made some arrangements with textile-producing countries which are designed to provide for an orderly growth in imports in our market and for the maintenance of our own textile industry. We have had problems in steel, and there is an understanding between the United States and steel producers in Europe and Japan concerning the orderly development of the market in steel. We have particular problems in the footwear industry, and our people in this industry have complained bitterly about imports of shoes, particularly from European countries.

We do not want to protect our industries so fully that we shut out competition. We want our industries to be healthy and competitive, and we want them to make the kind of adjustment which will in the long term help our economy rather than load it with the costs which derive from protectionism. We realize that other countries have similar problems with specific industries from time to time, and what we would like to negotiate with other countries is some agreed system of adjustments that can be made when special problems arise in particular industries or in particular lines of products. I think our objective should be always an expansion of trade rather than a diminution or restriction of trade.

Fourth, we want to get further ahead than we are now on the question of reducing general trade barriers and the level of protection around the world. This protection has been extended by all countries to many of their

own industries, and this includes the United States. We would like to have a full-scale negotiation to reduce trade barriers across the board beginning in 1973. The European Community and Japan have agreed with us that there will be such negotiations, and we are actively preparing for them. We are, particularly, preparing to submit legislation to our Congress to enable us to engage in major trade negotiations. These trade negotiations should cover remaining tariffs; they should cover nontariff barriers; they should provide for an improved opportunity for goods to move across national boundaries; and they should diminish the margin of preferences where currently there are preferential arrangements. So much for the trade side.

Reform of the International Monetary System

Our interests in monetary reform were set forth in a speech which was made by our Secretary of the Treasury at the recent Bank and Fund meeting. It is a very interesting speech; it is very straightforward in setting forth our views on what should happen in the monetary field. Mr. Shultz makes five or six main points in terms of the principles we believe should underlie our work on monetary reform.

The first of these principles is that we and other countries have a mutual interest in expanding trade in goods and services and in expanding the flow of capital so that it goes to the places where it does the most good.

A second principle is the need to develop a common code of conduct to protect and strengthen the fabric of a free and open international economic order, a code of conduct for governments and perhaps for businesses.

Third, in shaping these rules we must recognize the need for clear disciplines and standards of behavior to guide the international adjustment process. The Bretton Woods agreement, great as it was, did not provide for such standards of behavior in the adjustment process, and this is a real gap in the Bretton Woods system. In this regard, we have particularly in mind the responsi-

bility that we think surplus countries should have in making adjustments. Everybody recognizes that when a country has a balance of payments deficit it has to act itself to do things to correct this imbalance, and it has always been considered that having a negative balance was somehow wrong and having a positive balance was somehow right. We regard this as an outdated mercantilist view, and we would like to see general recognition that adjustments need to be made on both sides so that the monetary system and the trading system can be brought into equilibrium by an understanding that surplus countries also have responsibilities when their surpluses become as great as some surpluses are at the present time.

Mr. Shultz went on to say that a fourth principle was that countries ought to have a flexible approach to action when they do make the adjustments that are necessary in the monetary field. This is perfectly natural because each country is different from each other, each country has its own fiscal system and its own national objectives, and some countries can do some things to correct a surplus position or a deficit position and some countries can do other things. The point is that countries should select the methods which will work best in their particular case.

The next point of principle that Mr. Shultz mentioned was that trade and monetary affairs are interrelated. We would expect that in the future the General Agreement on Tariffs and Trade and the International Monetary Fund would work a little more closely together. We recognize that while our negotiations on monetary affairs are naturally separate from the negotiations on trade affairs, nevertheless representatives in either of the negotiations must bear in mind very closely what is happening in the other.

Finally, Mr. Shultz made the point that every country needs sound policies to promote domestic growth and price stability. I have already mentioned what we have in mind and what we are trying to do here in the United States.

The specifics of what we would like to do in the monetary field were also outlined by Mr. Shultz, and these were along the lines of a fixed-rate system with a flexible possibility for adjustment. We suggest that the special drawing rights be the essential reserve instrument in the future, and we think that gold should be played down as a major element in the monetary system. I have already mentioned the adjustment process and the importance that we place on surplus countries making their contribution as well as deficit countries. Finally, I think it is important to recognize that the world should be free of capital controls which hamper the flow of trade and which certainly seem unnecessary in our present rather prosperous and affluent world.

Economic Relations With Communist Countries

I have one or two other points to make. I have talked about trade and monetary affairs, and I would like to say a word or two about our economic relations with the Communist countries because I know that this has attracted a great deal of attention lately. We are trying to put ourselves in the same position as western Europe with respect to our freedom to sell to eastern Europe. We have restricted ourselves for years by controls which date from the cold war. We are now liberalizing those controls. We hope that our businessmen can compete on an even basis with the businessmen of Italy or Germany or Japan for business in the U.S.S.R. or in the People's Republic of China or elsewhere in territories which are controlled by governments described as Socialist or Communist. We are also hoping to be able to give exporter credits to our businessmen who wish to sell to such countries. This is unlikely in a good many cases for quite a time to come. However, exporters in France and Germany and Italy get exporter credits from their governments; and businessmen here would like to have similar credits, particularly in connection with transactions with the U.S.S.R. In order to be able to make these

credits available, we must clear up in negotiations with governments in eastern Europe some old financial problems which have been left unsettled for a considerable period of time. This we are trying to do. I must say we don't expect our trade with eastern European countries to solve our balance of payments problem, but we do intend to compete with western Europe and Japan for business in those countries.

Finally, what is our policy toward the European Community? We have always had a strong interest in its success and its prosperity. We made an enormous investment in Europe in the period after the war. We are not sorry we did that. We are pleased to see the enormous strides which Europe has made toward greater unity and toward prosperity and the well-being of people everywhere. We have a strong desire for expanded trade and investment. We hope that the Community also has, and will increasingly have, a similar desire for expanded trade and investment on a fair and equitable basis. We see what the Community does in Europe in this light. What it does outside of Europe sometimes makes us wonder if what it is doing is necessary to its basic purpose or whether it's designed to shut out competition in the Mediterranean or elsewhere.

We should also emphasize that we encourage European investments in the United States; we encourage Japanese investments, anybody's investments, in the United States. We want a maximum flow of capital both ways, not flight capital, not scare capital, not hot money, but money for sound purposes which will produce jobs and goods and give satisfaction to all concerned.

We look forward to cooperation with Europe. Europeans should realize that we have our own interests to promote and to protect, that we shall be hard bargainers, that the situation is not what it was at the time of the Marshall plan, that Europe has demonstrated its capacity to make an excellent living for itself, and that we want to make an excellent living for ourselves, too. We realize that this must be done in the context of in-

terdependence. We therefore look to a real partnership with Europe in going forward to a future which will be to the benefit of the peoples of Europe as well as our own.

New Law To Combat Illegal Traffic in Pre-Columbian Art

Press release 267 dated October 19

On October 18 the U.S. Congress enacted legislation proposed by the Department of State that will prohibit the importation into the United States of pre-Columbian monumental and architectural sculpture and murals illegally removed from the country of origin.¹ This action is intended to help the countries of the Western Hemisphere control the tragic despoliation of ceremonial centers of ancient civilizations and other archeological sites by eliminating a market for these plundered treasures in the United States.

The new law applies to major monuments such as stelae and temple art of such ancient cultures as the Mayan civilization in Mexico, Guatemala, and other Central American countries. Under the terms of the law, a person who wishes to import such a monument will have to show that the export was approved by the country of origin. Any monument imported into the United States in violation of this act will be seized by customs authorities and returned to the country of origin.

The law is not retroactive, however. It applies only to monuments exported in the future. The Treasury Department will issue regulations specifying the categories of objects covered by the statute. The normal civil and criminal remedies applicable to stolen property will continue to be available, where applicable, to foreign art treasures not covered by this new statute.

¹ Title II of Public Law 92-587, signed by President Nixon on Oct. 27.

A Look at Commodity Agreements

Address by Julius L. Katz

*Deputy Assistant Secretary for International Resources and Food Policy*¹

Two years ago, on the occasion of the first international commodities conference, I was asked to speak to the question: "What will the 1970's bring with regard to international commodity agreements?" My response then was that we were likely to see a great deal of intergovernmental activity regarding primary products, including discussion of possible commodity agreements. I predicted, however, that we would see few if any new commodity agreements of the type we have known, such as those dealing with wheat, sugar, coffee, and tin. Rather, I saw a growing recognition of the need for basic attacks on the underlying problems affecting particular commodities and for approaches which were trade creating rather than trade restrictive in nature.

Experience over the past two years has increased my skepticism of the general utility and workability of commodity arrangements which seek to deal primarily with prices—the manifestation of a commodity problem rather than the problem itself.

The New York Times last Sunday reported a somewhat similar view. The Times quoted Timothy Josling of the London School of Economics, an authority on commodity agreements and agricultural policy, as follows:

Given the strength of the forces for organized markets in the world, and I am thinking particularly of the European Common Market, we will probably

see increasing efforts over the next 10 years to maintain and even expand the coverage of these agreements. But how successful these efforts will be cannot be predicted. The one thing one can say with some assurance is that the agreements are rather unstable. As conditions change, so do they.

The conclusion is illustrated by some specific examples.

The first case is wheat. The effort to stabilize the price of wheat goes back to the beginning of the 1930's. Efforts continued until World War II and were resumed after the war. Various types of multilateral arrangements were agreed upon during this period, but most of these failed under pressure of the market. Until 1949 the wheat agreements were of the market-sharing type, where producing countries undertook not to export more than their agreed share. Since 1949 the international wheat agreements have been of the supply-contract type, where exporting and importing countries agree to conduct their trade within a given price range.

The agreements worked best when world supply and demand coincided to keep prices within the upper and lower limits of the agreed price range. They worked then, however, largely because the world's dominant suppliers, the United States and Canada, together maintained an umbrella over the market. As production grew elsewhere, however, the two countries could not by their own production-control and stockpile policies prevent imbalances in world supply and demand from developing. As a result, in periods when large surpluses developed, the agreements failed to work to keep prices

¹ Made on Oct. 4 at New York, N.Y., before the Second International Commodities Conference, sponsored by the New York University School of Continuing Education Division of Business and Management.

from going below the minima. When a situation of scarcity developed, as it did during the 1949-52 period, the agreement worked to keep prices from rising higher than the maxima but benefited the importers exclusively for several years running. This made the exporters insist on higher prices in the next agreement, and the incorporation of these higher prices then alienated the importing countries.

The reasons for the failure of international wheat agreements to work over time are not hard to find. Their price ranges often proved to be inconsistent with the underlying supply and demand situation. They could not easily accommodate to the sudden changes in the supply-demand picture, and they did not attempt to cope with the full range of governmental policies affecting the supply side of the equation. Unless multilateral arrangements deal with the production and stock policies of producing countries and unless the farm policies of the major producing countries are compatible, multilateral wheat agreements of the traditional type are not likely to achieve their objective of stabilizing the international wheat market on a long-term basis.

The current International Wheat Agreement, negotiated in 1971 as a successor to the International Grains Arrangement of 1967, contains no price provisions and has no commitments by either exporters or importers. Despite the impossibility of arriving at price provisions the member countries, of which the United States is one, did agree on the usefulness of maintaining the International Wheat Council as a forum for discussing current problems in wheat trade, for collecting data, and for seeking understandings leading to greater discipline in wheat trade.

Ultimately, I would expect a further attempt to arrive at multilateral arrangements for wheat as well as for other grains. Such an effort will undoubtedly be made in the course of the next round of trade negotiations, scheduled to commence next year. But, for reasons I have indicated, the effort will be in vain if it merely seeks to deal with

prices without attacking the production and trade policies affecting both imports and exports which are the primary determinants of price.

The International Coffee Agreement

Another relevant experience is the International Coffee Agreement (ICA), which is frequently described as a successful venture in the field of commodity agreements. Despite its recent difficulties I share the view that the first and second ICA's, for the greatest part, have successfully met their objectives. That the agreement is now in serious difficulty is the result of a change in circumstances and a shift in objectives on the part of certain members of the agreement.

The 1962 ICA was negotiated against the backdrop of heavy overproduction, large stocks, and ruinously low prices. Given the importance of coffee as the second largest traded commodity and the dependence of many developing countries on coffee exports, there developed a consensus on the need to stabilize coffee prices at more reasonable levels. The agreement had as its basic objective the stabilization of coffee prices at levels which were fair to producers and reasonable for consumers. For much of the life of the 1962 and 1968 coffee agreements these objectives were met. Prices were maintained above the disastrous levels of the late 1950's and early 1960's but not so high as to encounter consumer resistance. On two occasions prior to this past year, 1964 and 1970, prices rose sharply on account of seriously adverse weather conditions in Brazil, the dominant producer, but after brief periods prices returned to more acceptable levels.

After nine years of relative success, however, the future of the agreement is now in doubt. The primary reasons, as I have said, are a major change in the supply situation and a shift in objectives. Whereas the situation in 1962 appeared to be one of overproduction, the situation now appears to be one of relative balance in supply and demand. Whereas stocks in 1962 represented the equivalent of about two years of world ex-

ports, present stocks are equivalent to about six or seven months of world exports. And further, the shares of the market allocated in 1962 no longer appropriately reflect the distribution of production in the world.

In this situation certain major producers who are no longer in a surplus position wish to have sharply higher prices to reflect the relative scarcity of their product and to maintain and increase their export earnings. Other producers, who in the past have been required to hold stocks, see no good reason why they should continue to do so. They wish to increase their exports and are willing to settle for more modest price objectives. Consumers who helped sustain reasonable prices over the past nine years feel they are entitled to protection against unreasonably steep price increases now that there is a better balance of supply and demand.

Future of the Coffee Agreement

Meeting in Geneva in April of this year a group of some 13 producers decided on price objectives and quota allocations outside of the ICO [International Coffee Organization] and different from the decisions adopted by the International Coffee Council. Consuming nations unanimously concluded that the operations of the Geneva Group were inconsistent with the ICA and could not be tolerated so long as there existed an ICA.

It is somewhat unclear why coffee producers who have a large stake in the continuation of the ICA should have decided to work outside the agreement at the very time the ICO was scheduled to deliberate on terms for the extension of the agreement after September 30, 1973. The answer, I suspect, was in part a miscalculation of reaction by consumers plus a reflection of the change in circumstances and objectives I have described earlier.

Against this background even the most enthusiastic and optimistic supporters of the ICA must be concerned about the future of the agreement. Faced with the inability of the Coffee Organization to agree upon quota arrangements for the 1972-73 coffee year

and, most importantly, upon safeguards demanded by consumers against a continuation of the Geneva Group's activities, the Council of the ICO agreed in August to extend quotas for only a three-month period. Prior to the end of this probationary, cooling-off period, a decision will have to be made whether or not to continue quotas for the remainder of the year. Beyond that there remains the question whether the agreement will continue after its scheduled termination date of September 30, 1973. The outcome, as I have said, is in doubt, but I will offer several possibilities:

- The agreement will lapse;
- The agreement will be extended but in significantly revised form; or
- The agreement will be put on a standby basis.

At this point in time I would have to say that the odds are even on each of these possibilities.

Problem of Minerals Gap

The examples I have dealt with so far have involved commodities with a tendency toward chronic oversupply. It is this kind of problem which most frequently leads to proposals for commodity agreements. A somewhat different situation is presented by commodities which show an apparent tendency toward scarcity. Such a situation is illustrated by the minerals sector, including energy. There is a growing recognition of the fact that projected requirements of various mineral resources are running well ahead of projected supply. The National Commission on Materials Policy in its interim report of April 1972 has said that "the gap between our requirements and the remaining easily accessible world supplies is widening. . . . that as the Nation's needs continue to grow and as per capita consumption of materials in other countries increases at an even faster rate than ours, it becomes increasingly difficult for the United States to fill its ever-growing deficit by imports, even at increasing prices."

You have, I am sure, read and heard a great deal about this subject recently, and you will be hearing even more in the months and years ahead. Many proposals will be advanced to deal with the problems, and there are likely to be proposals to seek to moderate the price effects of the materials gap and the energy gap. I have heard some suggestions made for commodity agreements in this field, although I strongly suspect that the interests of producers and consumers in this instance will prove to be mutually exclusive. It would take sophisticated and farsighted reasoning by both groups to see where their true interests lie. Just as consumers will need to recognize the need for higher prices to assure future supplies, so will producers need to realize that excessively high prices will encourage substitution and overproduction.

To put into perspective the forecasts for a minerals gap or crisis it may be well to reflect on a somewhat different view expressed by Norman Macrae, the deputy editor of the *Economist*, in an examination of the "Future of International Business." He wrote that:

. . . the least useful and least credible sort of medium-term economic forecast today is whatever is at any moment the most fashionable one. The reason for this is now quite logical and rather technical. In modern conditions of high elasticity of both production and substitution, we will generally create a temporary but large surplus of whatever the majority of decision-influencing people five or ten years earlier believed was going to be in most desperately short supply. This is because the well-advertised views of the decision-influencers tend to be believed by both profit-seeking private producers and consensus-following governments, and these two then combine to cause excessive production of precisely the things that the decision-influencers had been saying would be most obviously needed.

Let me sum up. The quest for commodity agreements will continue if only because of the strong adherence of many countries to a philosophy which seeks to regulate and to organize markets. Our own attitude seeks to

avoid interference in markets except where there is a demonstrated need. Thus, while we will continue to consider proposals for commodity agreements or, speaking more broadly, commodity arrangements on a case-by-case basis, we will view with skepticism arrangements which seek to deal only with the superficial manifestation of a problem, such as prices, and which seek to do so by trade-restrictive devices. Rather, we will wish to judge whether such arrangements can deal with the basic factors which underlie commodity problems, such as production and consumption, and whether the arrangements will widen access to markets. Unless commodity arrangements can deal with such fundamental aspects of commodity problems they will be of limited effectiveness and clearly unstable.

Congressional Documents Relating to Foreign Policy

92d Congress, 2d Session

- Tuna Fisheries Development Program. Report to accompany H.R. 12207. S. Rept. 92-1031. August 10, 1972. 6 pp.
- Agreement on Limitation of Strategic Offensive Weapons. Report to accompany H.J. Res. 1227. H. Rept. 92-1324. August 10, 1972. 6 pp.
- Equal Export Opportunity Act and International Economic Policy Act of 1972. Conference report to accompany S. 3726. H. Rept. 92-1342. August 15, 1972. 11 pp.
- Metric Conversion Act. Report to accompany S. 2483. S. Rept. 92-1067. August 16, 1972. 47 pp.
- Trade Adjustment Assistance. Report of the Subcommittee on Foreign Economic Policy of the House Committee on Foreign Affairs. August 29, 1972. 28 pp.
- Suspension of Duties on Certain Forms of Copper. Report to accompany H.R. 14386. H. Rept. 92-1378. September 6, 1972. 4 pp.
- Protection of Foreign Officials and Official Guests of the United States. Report to accompany H.R. 15883. S. Rept. 92-1105. September 8, 1972. 42 pp.

High-Level Meeting of OECD Development Assistance Committee Held at Paris

The 11th annual High-Level Meeting of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) was held at Paris October 16-18. Following is a statement made before the Committee on October 16 by John A. Hannah, Administrator, Agency for International Development, who was head of the U.S. delegation.

AID press release 81 dated October 16

Each year at these meetings much of our discussion has been devoted to the question of the volume of assistance. We must put increasing emphasis on concern for the quality of assistance. It is gratifying that the proposed DAC work program for 1973 is "to give higher priority than in the past to the improvement in the quality and the efficacy of aid."

Before proceeding with that, I would like to comment briefly about our U.S. program.

The recent annual review of the U.S. aid program conducted by DAC shows that in calendar year 1971 net disbursements of U.S. official development assistance increased by \$286 million, or some 9 percent above the 1970 level, for a total of about \$3.5 billion, which is 43 percent of the total official development assistance provided by DAC members.

The prospects for U.S. assistance in the shortrun future are related to the fundamental economic problems confronting the United States and the world economy.

A first priority is the basic restructuring of the international monetary system and the introduction of a greater degree of equi-

librium in world trade in which all nations can prosper from the flow of goods and investment. At the annual meeting of the IMF and IBRD [International Monetary Fund; International Bank for Reconstruction and Development] in Washington last month, President Nixon indicated that we are witnessing a significant movement in this direction.

A well-functioning system of world trade and development requires the promotion of domestic growth, employment, and price stability in all the major countries. President Nixon has launched a series of domestic policies aimed at curtailing inflationary pressure, and this includes holding down Federal budget expenditures. The objective is to restore to full health the U.S. economy and its balance of payments so that we may be able to continue to generously support the expansion of world trade and broad-based economic and social development in the less developed countries (LDC's).

On September 22, the U.S. Government was able to notify formally the President of the World Bank of the U.S. accession to the third IDA [International Development Association] replenishment. The United States will contribute \$320 million before the end of this year and make similar payments in 1973 and 1974.

I am confident that the United States will continue to generously support well-conceived development programs, both multilaterally and bilaterally, in the years ahead.

The usefulness of development assistance is dependent upon much more than the question of volume. We must find more effective

ways to utilize aid so that it can make a positive difference in the quality of the lives of the poorer people in the LDC's.

This point is expressed in many different ways. Increasing emphasis should be devoted to the need for development as well as for growth. In too many LDC's the poor remain poor and problems of unemployment and income distribution are becoming worse.

Mr. McNamara [Robert S. McNamara, President, IBRD] in his addresses at UNC-TAD [United Nations Conference on Trade and Development] and at the recent annual meeting of the IMF and IBRD stressed the problem of uneven and unacceptable development and pointed out the great disparities in incomes and living standards among the LDC's and among different social and economic groups within many of the LDC's.

In the U.S. Agency for International Development for the past year we have been putting emphasis on dealing with this problem and have undertaken a number of reforms directed at improving the quality of our assistance programs by concentrating our efforts on basic human development problems—to attack poverty and reduce hunger, illiteracy, and disease.

The heart of our U.S. AID redirection is to concentrate on a limited number of priority development sectors and related problems that are of major concern to a large number of LDC's. This approach will enable AID to build a stronger response capability which coincides with LDC priorities and also complements other donor assistance programs. The priority sectors are agriculture and rural development with special emphasis on food production and nutrition, education and manpower training, and health and family planning.

The sector approach involves a more comprehensive analysis of the problem of development with an enlarged focus on problems of employment and income distribution. We have launched a number of research projects to provide better analysis and measurements of the employment and income distribution problems.

We also see a real need for developing new

technologies and institutional frameworks which are more relevant to the needs and resource availabilities of the LDC's.

For example, in public health too often we have used the Western concepts, which are heavily oriented toward curative medicine and expensive delivery systems with a level of technology and operating costs which are not appropriate to the resources and immediate needs of the LDC's.

In education there have been some very impressive increases in the number of children enrolled in school, and educational budgets are up to 30 percent or more of the total operating budgets in many LDC's. However, too often they have less than a third or a quarter of their school-age children in school. In many cases the investment is beyond the fiscal capacity to support, and too often the training is inappropriate to the manpower needs. Working with the leadership in these LDC's, we must find new ideas and technologies which will result in better use of resources and provide useful services to a larger number of people.

Another positive aspect of sector concentration is that it permits a greater integration of capital and technical assistance in addressing a whole range of problems. Over the past several years we have employed sector loans in Latin America. These loans have concentrated in areas of social concern such as rural agriculture, health, and education. These programs have focused primarily upon the problems of small-farm rural families lacking access to adequate technical assistance and credit as well as basic health and education facilities. Sector loans can be an extremely flexible tool providing financing for a variety of assistance: technicians, capital construction, and local currency financing.

Since 1970, we have been stepping up our assistance to the least developed countries, especially in central and west Africa and southern Africa, which account for more than half of the 25 least developed countries on the U.N. list. In these countries our assistance increased from a total of \$23 million in U.S. fiscal year 1970 to approximately

\$60 million in fiscal year 1972. We are encouraged by some of these new approaches, including the greater use of grant funds.

We are currently engaged in a thoroughgoing review designed to introduce a greater degree of flexibility in AID programing and administration which will permit us to respond to the needs of the least developed.

It is increasingly clear that for development to be meaningful it must put first emphasis on the improvement of life for the poor people in the poor countries.

As administrators of foreign aid programs asking for additional funds from our legislative bodies and as professional people

working with problems of development, we must be able to demonstrate that the programs we are engaged in can make a positive difference in the lives of the people of the developing world.

Improved GNP is not the end. It is only a means to the desired end: lives of better quality for all and justifiable hope that life can be better in the LDC's of the world. U.S. AID believes that people are of basic importance. The thrust of our plans for the future will increasingly emphasize this objective. The DAC can play a very important role in helping us to achieve this goal.

Combating Racial Discrimination in the Seventies

Statement by Jewel Lafontant

*U.S. Representative to the U.N. General Assembly*¹

The constant fight against racial discrimination will dominate much of the discussion and action programs during the observance of the 25th anniversary of the Universal Declaration of Human Rights, as indeed has been the case since the founding of the United Nations 27 years ago. This is as it should be, because the charter in article 1(3) sets forth clearly and unequivocally that a major purpose of the United Nations is to promote and encourage "respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion."

There is no want of resolutions condemning racial discrimination. One cannot but be struck by the profusion of resolutions that have emerged. In addition, there are excellent groups working on the problem of ra-

cial discrimination on local, national, and international levels.

Few will question the doctrine of the fundamental equality of all men. Few will deny the necessity to eliminate racial discrimination if we are to survive in a peaceful world.

While the international community should continue to wage an unrelenting attack on racial discrimination, much more remains to be done by individual member governments. It is easy for members represented here to condemn other governments for denial of human rights to their citizens but all too difficult for many of them to examine frankly the situation within their own country and admit that discrimination does exist.

We should be mindful that, as defined in article 1 of the International Convention on the Elimination of All Forms of Racial Discrimination, racial discrimination comprehends "any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin which has the

¹ Made in Committee III (Social, Humanitarian and Cultural) of the U.N. General Assembly on Oct. 13 (USUN press release 119).

purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life." We should therefore be careful not to define racial discrimination narrowly or to assume that discrimination exists only in certain parts of the world where color is the essential basis for such discrimination.

Our Nation, approximately 200 million persons, is generically a pluralistic society in its racial composition. Our many racial groups stem from Europe, Africa, and Latin America and from other areas of North America itself. Millions of our people left their homes in other parts of the world and came to America to build a new life.

We cannot avoid being concerned about restrictions placed by any country upon the free emigration of its citizens. Representatives of my government have voiced our concern on this subject many times, before this committee and before other forums. We deplore regulations imposed by any government which limit the right, proclaimed by the Universal Declaration of Human Rights over two decades ago, of everyone to leave any country, including his own. Discrimination occurs when the exercise of a fundamental human right, such as that of emigration, is denied to certain types of individuals. Thus, it is unconscionable that some people are not allowed to leave a country because of their educational achievements. We deplore the practice of requiring prospective emigrants to pay the state for the cost of their education. When such educational fees are so large that the overwhelming majority of those assessed cannot afford to pay, a barrier to emigration has been established in violation of the Universal Declaration of Human Rights. The fundamental human right of emigration cannot be limited to certain categories of citizens whom the state deems dispensable. We call upon all nations to accord the basic rights set forth in the Universal Declaration of Human Rights and to permit the free emigration of all their citizens who wish to choose a new homeland.

This is a matter of great importance to many Americans, and we will have more to say about it at a later date.

As I have listened to the speakers both in the General Assembly and here in this, the Third Committee, I have observed that racial discrimination is spoken of and regarded by most as a stubborn, monolithic scourge or evil which must be combated and eliminated.

I believe that it is time that we recognize that racial discrimination is not monolithic and that we speak not of racial discrimination but of racial discriminations, that we should try to separate various types of discriminations according to their legal status. For instance:

1. Racial, religious, or other types of discrimination dictated by existing laws.
2. Racial, religious, or other types of discrimination sanctioned or permitted by application of logically nondiscriminatory laws.
3. Racial, religious, or other types of discrimination resulting from customs and traditions, with or without counterbalancing laws.
4. Racial, religious, or other types of discrimination by private persons or institutions.
5. Racial discrimination by governments to sustain short-term political objectives.

This classification is not exhaustive, but will encompass most known forms of discrimination.

Thus, there are different types of discriminations, each supported by different societal, political, and legal structures. We should define discriminations, each of a different gender, each of a different genesis, each of different import. Each discrimination is a different social-political disease with its own pathology and, we hope, its own cure.

I understand that the racial discriminations existing in my country have caused many delegates from other countries to rise in holy anger and denounce them as the supreme ill of humanity. One strains intellectual honesty in comparing discrimination dictated by law with discrimination pres-

ently known in the United States.

I have noticed the detailed specificity with which representatives of my country have, in the past, met accusations of discrimination by parading endless statistics tending to show how well the minorities are performing in my country in all areas—including but not limited to employment, education, business, and housing. It is not the progress of minorities which should justify my elation in my country. Certainly, there has been some progress, indeed great, dramatic progress, but the remaining problems are infinitely complex and are not yet systematically approached.

But we can be proud, maybe I should say we should be grateful, that the American system has evolved a dynamic, if not dialectical, interplay of forces—social, political, and legal—which pushes all the ugliness and inhumaneness of discrimination to the surface for all to see and which thereby demands a solution. We have seen these forces at work in many ways.

There has been in the United States a tremendous thrust forward to eliminate racial discrimination by peoples, government, and social institutions. Of course, our civil rights laws are far-reaching and do away with all traces of statutory racial discrimination.

As an attorney and as chairman of the State of Illinois Advisory Committee to the U.S. Civil Rights Commission, I have been actively involved in this forward thrust.

This advisory group referred to is composed of citizens who volunteer their services in investigating complaints alleging deprivation of the right to vote and/or other civil rights. It studies and collects information concerning denial of equal protection of the laws under the Constitution, then it presents the U.S. Commission and the public with the facts so that they can be fully informed. The Commission, in turn, submits recommendations to the President and the Congress.

An example of to what extent this voluntary group goes is best illustrated by one of the public hearings held in my State. We conducted three-day hearings in various

areas of the State to which persons in and out of government, students, the employed, the unemployed, labor, and management—a good cross section of the public—were invited. They came and offered testimony concerning acts of discrimination in the administration of justice, the hiring and upgrading policies of various agencies, such as the police department and fire department. They testified as to substandard housing and inferior schooling. The holding of the hearings in and of itself had a salutary effect. Even more important, however, the in-depth reports that emanated from the information gathered were the basis for change in heretofore discriminatory policies and practices.

As a result of the pressures from this group in cooperation with citizen community protest groups, employment opportunities broadened. Several major corporations instituted programs for the training of minority persons for managerial positions; minority peoples were upgraded in many departments of local government; and our penal institutions were desegregated and reformed.

It is in this type of exposure through citizen participation that lies the hope of America to bring about racial justice and racial unity, which are essential to the Nation's future well-being.

In conclusion, I would like to add to the already vast number of recommendations for the decade of the seventies devoted to combat racial discrimination, the following:

First, that we emphasize the necessity to define discriminations as I have outlined.

Second, that international committees be set up to study each form of discrimination separately, with jurisdiction to deal only with that type, recognizing that the methods of approach are different.

Third, that these international committees make recommendations in dealing with the problem.

Perhaps, in this way, once the pathology of this political disease of racial discriminations is determined, a cure may emerge and our dream of freedom and full equality for all will become a reality.

U.S. and Poland Sign Agreement on Science and Technology

Press release 273 dated October 31

Secretary Rogers and Presidential Science Adviser Edward E. David, Jr., signed an agreement in Washington on October 31 reached between the United States and Poland on cooperation in science and technology. Secretary Rogers said that "this new agreement is evidence of the desire of the United States to improve relations with Poland and to seek further means of cooperation for the benefit of the peoples of the two countries."

The agreement was signed simultaneously in Warsaw. In attendance at the State Department ceremony was Polish Ambassador Witold Trampeczynski. The agreement was signed in Warsaw by the Polish Minister for Science, Higher Education and Technology, Jan Kaczmarek. In attendance was the U.S. Chargé d'Affaires, Davis E. Boster.

The agreement stems from discussions that President Nixon and Secretary Rogers held with Polish leaders in Warsaw in June. At that time the United States and Poland expressed their satisfaction with the expanding program of scientific and technical cooperation between the two countries and their interest in the conclusion of an inter-governmental agreement to establish a broad framework for further development in these fields. Subsequently, Dr. David visited Poland for detailed discussions with Minister Kaczmarek on cooperation in science and technology, leading to the conclusion of the agreement.

For more than a decade scientists of the United States and Poland have been cooperating in fields of mutual interest. This cooperation was initially undertaken in the fields of agriculture and the medical sciences.

It has expanded substantially over the years and today includes cooperation between a large number of government agencies, scientific institutions, and universities on both sides in such additional fields as air and water pollution control, maternal and child care, mine safety, rehabilitation, and transportation. This cooperation was given new impetus when Dr. Kaczmarek visited the United States in April 1971 at the invitation of Dr. David for talks with U.S. Government officials and visits to scientific institutions.

The agreement marks another step in the substantial improvement of relations between the United States and Poland over the past year. During President Nixon's and Secretary Rogers' visit to Poland in June, the Secretary signed a consular convention which is now before the Senate for ratification. In addition, there has been an agreement to establish a joint U.S.-Polish Commission on Trade, a protocol on official travel, and an interim settlement of Poland's obligations to U.S.-dollar bondholders. High-level visits between officials of the two countries have contributed to the increase in cooperative programs and bilateral trade.

Current Actions

MULTILATERAL

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague December 16, 1970. Entered into force October 14, 1971. TIAS 7192.

Ratification deposited: Australia, November 9, 1972.

Biological Weapons

Convention on the prohibition of the development, production and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow April 10, 1972.¹

Signature: Malta, September 11, 1972; Sierra Leone, November 7, 1972.

¹ Not in force.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna April 18, 1961. Entered into force April 24, 1964.²

Ratified by the President: November 8, 1972.

Optional protocol to the Vienna convention on diplomatic relations concerning the compulsory settlement of disputes. Done at Vienna April 18, 1961. Entered into force April 24, 1964.²

Ratified by the President: November 8, 1972.

Maritime Matters

Convention on facilitation of international maritime traffic, with annex. Done at London April 9, 1965. Entered into force March 5, 1967; for the United States May 16, 1967. TIAS 6251.

Acceptance deposited: Italy, September 25, 1972.

Oil Pollution

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London October 21, 1969.¹

Acceptances deposited: Lebanon, September 29, 1972; Liberia, September 25, 1972.

International convention on civil liability for oil pollution damage. Done at Brussels November 29, 1969.¹

Accession deposited: Liberia, September 25, 1972.

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London October 12, 1971.¹

Acceptance deposited: Liberia, September 25, 1972.

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London October 15, 1971.¹

Acceptance deposited: Liberia, September 25, 1972.

International convention on the establishment of an international fund for compensation for oil pollution damage. Done at Brussels December 18, 1971.¹

Accession deposited: Liberia, September 25, 1972.

Postal Matters

Constitution of the Postal Union of the Americas and Spain, general regulations with final protocol, and convention with final protocol and regulations of execution. Done at Santiago November 26, 1971. Entered into force July 1, 1972.

Ratified by the President: October 31, 1972.

Postal money order agreement and final protocol of the Postal Union of the Americas and Spain. Done at Santiago November 26, 1971. Entered into force July 1, 1972.

Ratified by the President: October 31, 1972.

Convention, final protocol, and regulations of execution of the Postal Union of the Americas and Spain and rules and regulations of the International Office of the Postal Union of the Americas and Spain and the transfer office. Done at Mexico City July 16, 1966. Entered into force March 1, 1967. TIAS 6354.

Terminated: July 1, 1972.

Money order agreement and final protocol of the

Postal Union of the Americas and Spain. Done at Mexico City July 16, 1966. Entered into force March 1, 1967. TIAS 6355.

Terminated: July 1, 1972.

Parcel post agreement, final protocol, and regulations of execution of the Postal Union of the Americas and Spain. Done at Mexico City July 16, 1966. Entered into force March 1, 1967. TIAS 6356.

Terminated: July 1, 1972.

Safety at Sea

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London November 26, 1968.¹

Acceptance deposited: Liberia, September 25, 1972.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London October 12, 1971.¹

Acceptance deposited: Liberia, September 25, 1972.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London October 21, 1971.¹

Acceptance deposited: Liberia, September 25, 1972.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow March 29, 1972.²

Signature: Oman, June 23, 1972.

Ratification deposited: Mongolia, September 14, 1972.

Tonnage Measurement

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969.¹

Acceptance deposited: Liberia, September 25, 1972.

BILATERAL

Khmer Republic

Agreement amending the agreement for sales of agricultural commodities of January 13, 1972 (TIAS 7269). Effected by exchange of notes at Phnom Penh October 20, 1972. Entered into force October 20, 1972.

Mexico

Agreement concerning frequency modulation broadcasting in the 88 to 108 MHz band, with related notes. Signed at Washington November 9, 1972. Enters into force on the date Mexico shall have given written notification that the necessary measures for this agreement to take effect have been adopted in accordance with its constitutional procedures.

Poland

Agreement on cooperation in science and technology. Signed at Washington and Warsaw October 31, 1972. Entered into force October 31, 1972.

¹ Not in force.

² Not in force for the United States.

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Address requests direct to the Superintendent of Documents. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders.

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Afghanistan	Pub. 7795	8 pp.
Bermuda	Pub. 7907	4 pp.
Bolivia	Pub. 8032	6 pp.
Denmark	Pub. 8298	4 pp.
Haiti	Pub. 8287	4 pp.
South West Africa (Namibia)	Pub. 8168	6 pp.

The Changing World Power Structure. This pamphlet in the Current Foreign Policy series is based on an address by Under Secretary of State John N. Irwin II before a National Foreign Policy Conference for senior U.S. business executives at Washington, D.C. Pub. 8665. General Foreign Policy Series 267. 7 pp. 10¢.

President Nixon's Visit to Poland. This pamphlet contains excerpts of President Nixon's remarks and those of the Polish leaders, highlights of the joint communique issued at the conclusion of the President's visit June 1, 1972, Secretary of State Rogers' statement of May 31 on the signing of the Consular Convention, and a profile on Poland today. Pub. 8667. European and British Commonwealth Series 76. 13 pp. 25¢.

The SALT Agreements and U.S. Security Interests. This pamphlet in the Current Foreign Policy series contains the text of a statement by Ambassador Gerard Smith, Director of the U.S. Arms Control and Disarmament Agency and chairman of the U.S. delegation to the Strategic Arms Limitation Talks, before the Senate Armed Services Committee on June 28, 1972. Pub. 8668. General Foreign Policy Series 266. 7 pp. 10¢.

Military Assistance—Deposits Under Foreign Assistance Act of 1971. Agreement with the Republic of Korea. TIAS 7351. 3 pp. 10¢.

Military Assistance—Deposits Under Foreign Assistance Act of 1971. Agreement with Bolivia. TIAS 7352. 5 pp. 10¢.

Military Assistance—Deposits Under Foreign Assistance Act of 1971. Agreement with Panama. TIAS 7353. 3 pp. 10¢.

Trade—Meat Imports. Agreement with Guatemala. TIAS 7354. 6 pp. 10¢.

Radio Communications Between Amateur Stations on Behalf of Third Parties. Agreement with Guyana. TIAS 7355. 3 pp. 10¢.

Agricultural Commodities. Agreement with Guyana. TIAS 7359. 3 pp. 10¢.

Cultural Cooperation. Agreement with Mexico amending the agreement of December 28, 1948, and August 30, 1949. TIAS 7360. 5 pp. 10¢.

Military Assistance—Deposits Under Foreign Assistance Act of 1971. Agreement with Chile. TIAS 7361. 4 pp. 10¢.

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BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXVII, No. 1745

December 4, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

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International Law and the Export of Terrorism

*Address by John R. Stevenson
Legal Adviser¹*

The topic I wish to discuss with you tonight has been in the news all too frequently in recent months—the problem of international terrorism. This topic has significant political overtones; but the international legal initiatives the U.S. Government has taken in the area have been based on what we consider the humanitarian and economic interests of all nations, and we have sought to avoid political complications in meeting a common danger.

There has been an alarming increase of late in incidents of international terrorism. And they have not involved any one political cause or any one area of the globe. In Sweden, 90 people boarding an international flight were made hostage and held for ransom by Croatian terrorists. In London an Israeli diplomat was killed by a bomb sent through the mail. Similar bombs arrived in New York and other places. Shots were fired last year into the apartment of a member of the Soviet Mission to the United Nations. In Israel, 26 tourists, 16 of them Americans, were slaughtered in an attack at Lod Airport. This year 30 airliners from 14 countries have been successfully hijacked and 29 other hijackings have been frustrated; 140 airplane passengers and crew have been killed, and 99 wounded, in acts of terrorism. In the past

five years a total of 27 diplomats from 11 countries have been kidnaped and three have been killed.

These incidents bear witness to the terrible potential of a deranged or determined person or group to terrorize the international community. This potential for traumatic disruption appears to increase with the increasing technological and economic complexity of our society, and the frequency of such incidents may well be increased by the rapid and wide publicity they receive. It may well be impossible entirely to eliminate the threat of terrorism, but this is no excuse for inaction.

In the effort to reduce the threat of terrorism, there is an important contribution to be made by international law. The U.S. Government is taking a leading role in this area. Our efforts are aimed at deterring terrorist acts by eliminating any safe haven for the perpetrators of these crimes. We are also attempting to establish a broad international legal and moral consensus that will discredit these activities and motivate both governments and private groups to discourage, rather than to support, these actions. To this end the U.S. Government has supported a series of international treaties in which the states parties pledge themselves either to extradite or to prosecute the perpetrators of specific offenses defined in those instruments. This has of course involved as a corollary the establishment of a species of universal jurisdiction over the specified offenses—that of

¹ Made before the Association of the Bar of the City of New York and the American Society of International Law at New York, N.Y., on Nov. 9 (press release 282).

any state party where the perpetrator is found regardless of where the offense was committed.

Obviously, the key to the success of this approach is widespread acceptance of the obligations of these treaties by the international community. Despite the revulsion to acts of terrorism which is felt in most countries of the world, there are serious problems in obtaining general acceptance of binding and effective international measures against terrorist acts. In some cases, particular states are deeply interested in the political aspirations of the terrorist groups. In other cases, states are inhibited by their commercial and political interests from taking strong measures against states which support the political cause of a terrorist movement. Further, in many countries of the free world there is a considerable attachment to the legal institution of diplomatic or territorial asylum, which has applied historically not only to such strictly political crimes as treason or sedition but to certain common crimes directly connected with political activity such as organized rebellion. Perhaps most important is the regrettable fact that public opinion often views acts of terrorism from a political perspective rather than a legal or humanitarian perspective.

In this context, we have thought it would be counterproductive, even if it were technically feasible, to attempt to define terrorism. Instead, we have attempted to identify specific categories of offenses which, because of their grave and inhuman effect on innocent persons or because of their serious interference with the vital machinery of international life, should be condemned by states of every ideology and alignment.

These have included: first, hijacking and sabotage of civil aircraft; second, the kidnapping and assassination of foreign diplomats and other foreign officials; and finally this fall, as proposed in Secretary of State Rogers' address to the U.N. General Assembly, the export of international terrorism to countries not involved in the conflicts which

spawned those acts of terrorism.² Let me address each of these three areas of international legal action against terrorism in more detail.

Hijacking and Sabotage of Civil Aircraft

The first area in which widespread support for legal action developed was that of hijacking and sabotage of civil aircraft. As you all know, aircraft are extremely vulnerable to terrorist attacks and such attacks have disastrous consequences for the civil aviation system.

The work in this field has been done in the International Civil Aviation Organization (ICAO) and its Legal Committee. Discussion of the first convention in the field began in 1950 and culminated with the adoption and signing at Tokyo in 1963 of the Convention on Offenses and Certain Other Acts Committed on Board Aircraft.³

The Tokyo Convention, to which the United States became a party in 1969, provides a series of rules for the exercise of jurisdiction over offenses committed aboard aircraft during flight. The convention establishes neither exclusive jurisdiction nor universal jurisdiction; rather, it assures that at least the state of registration of the aircraft will have the competence to exercise its jurisdiction over crimes committed aboard that aircraft. In addition, the convention establishes certain rules of conduct for the commander and crew of the aircraft as well as providing for rules and procedures for the disembarkation of an offender. Finally, the convention requires that a contracting state in which a hijacked aircraft lands permit its passengers and crew to continue their journey as soon as practicable as well as return the aircraft and cargo to the persons lawfully entitled to their possession.

² For Secretary Rogers' statement before the U.N. General Assembly on Sept. 25 and texts of a U.S. draft convention and draft resolution on terrorism, see *BULLETIN* of Oct. 16, 1972, p. 425.

³ *Treaties and Other International Acts Series* 6768.

To deal specifically with the then increasing numbers of hijackings, a second convention was prepared in ICAO and formalized at a diplomatic conference held at The Hague in December of 1970, and we became a party to it in 1971.⁴ The Hague Hijacking Convention applies to any unlawful seizure or exercise of control, by force or threat of force or by any other form of intimidation, committed on board a civil aircraft in flight and to any attempt at such an act committed on board. Each state is obligated to make hijacking punishable by severe penalties and to establish its criminal jurisdiction to cover cases where an alleged hijacker is present in its territory, regardless of where the hijacking takes place. If a state in which a hijacker is found does not extradite him, that state is obligated without exception whatsoever, and whether or not the offense was committed in its territory, to submit the case to its competent authorities for the purpose of prosecution. It is noteworthy that agreement on this convention was reached only after hijacking became a clear and increasing menace in many different parts of the world.

Two acts of aircraft sabotage occurred in Europe on February 21, 1970, one involving SWISSAIR and the other Austrian Airlines. Both aircraft were on international flights. The Swiss airplane tragically crashed, and all passengers and crew members on board were killed. As a result of these incidents, work was begun on a new convention. The resulting convention was adopted at Montreal in September 1971, and we deposited our instrument of ratification to it on November 1 of this year.⁵ The new convention covers sabotage of aircraft. It requires extradition or prosecution of persons who commit acts of sabotage or otherwise destroy aircraft or who endanger the safe flight of an

aircraft by damaging it or destroying or damaging air navigation facilities. The convention also covers acts of violence against persons on board aircraft, and bomb hoaxes, which endanger the safe flight of an aircraft. Basically, the provisions of this convention parallel those of the Hague Convention.

Proposed New Treaty on Joint Action

As you can see from this summary of the regime of law applicable to hijacking and sabotage of aircraft, we now have rules that would appear sufficient to cover this specific problem. Why, then, have we not thereby eliminated the problem? While the attitude of all states toward hijacking has shifted and hijackers rarely receive heroes' welcomes anymore, there are still a number of states which continue to serve as a safe haven for hijackers. These states have not ratified the existing conventions. They continue to allow hijackers to land in their territory and to escape prosecution or extradition.

Therefore, while we continue to work actively for more general adherence to the Hijacking and Sabotage Conventions, we recognize that stronger action is required. We have proposed a new treaty, supported most actively by Canada, which would provide a basis for joint action such as suspension of all air service to countries which fail to follow the basic rules set out in the Hague and Montreal Conventions. This would create a strong incentive; for boycott action would entail isolation of a state from the international aviation system. An ICAO subcommittee met in Washington recently and considered a draft treaty cosponsored by the United States and Canada to accomplish this end.⁶ Because the concept, though eminently reasonable and justifiable, seems to some countries to be radical—inducing compliance from states to obligations recorded in treaties to which they are not parties—there has been significant resistance to the adoption of

⁴ For text of the Convention for the Suppression of Unlawful Seizure of Aircraft, see BULLETIN of Jan. 11, 1971, p. 53.

⁵ For text of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, see BULLETIN of Oct. 25, 1971, p. 465.

⁶ For background, see BULLETIN of Oct. 2, 1972, p. 357.

this treaty. However, even if the treaty that is finally adopted were only initially to attract a small number of like-minded states active in international civil aviation, its impact would be quite significant; for a nation that provided a haven for hijackers could have much of its civil aviation cut off.

In this connection, the ICAO Council on November 1 decided to convene a special session of the ICAO Legal Committee in January and to provide for the convening of a diplomatic conference on air security in August–September 1973.

Legal Protection of Diplomats

A second specific and limited area in which we have sought to apply the techniques developed in the area of hijacking and sabotage is the “protection” of diplomats.

The first convention on this problem was drafted by the Organization of American States at a special session of the OAS General Assembly held in Washington in 1971.⁷ The convention was drafted in that forum because of the self-evident need for action in the Americas. There had been more than a dozen incidents of kidnappings and violence directed against diplomats in six countries of the Western Hemisphere in the two prior years, nine of which involved U.S. personnel. Two ambassadors and an AID employee had been murdered.

The OAS convention provides that kidnapping, murder, and other assaults against the life or personal integrity of those persons to whom the state has the duty under international law to give special protection, as well as extortion in connection with those crimes, shall be considered common crimes of international significance, regardless of motive. If the fugitive is not surrendered for extradition because of some legal impediment, the state in which the offender is found is obligated to prosecute, as if the act had been committed in its territory. To make this procedure effective, it has been necessary to establish a firm obligation to prosecute where

extradition is withheld and a clear basis for jurisdiction based on the character of the offense regardless of the place in which the crime is committed. President Nixon submitted the OAS convention to the Senate, which gave its advice and consent to ratification unanimously on June 12, 1972. We are awaiting the enactment of implementing legislation before depositing our instrument of ratification.

Despite the fact that the OAS convention is open for signature and ratification by other states, not just members of the OAS, accession by many non-OAS members is not anticipated. Many states apparently prefer to develop another convention in the broader U.N. forum, based on the work and comments of a wider group of states. In its 1971 report to the 26th session of the General Assembly of the United Nations, the International Law Commission (ILC) volunteered to develop such a convention if the Assembly thought it desirable. The 1971 Assembly agreed with the Commission and asked it to develop a convention on the protection of diplomats as quickly as it considered appropriate. The Commission responded to this call by developing its draft articles which form the basis for such a convention at its 1972 meeting. These articles were submitted to the General Assembly now in session. The International Law Commission's draft articles vary somewhat from the OAS convention, but the aim of the two instruments is the same. They both require extradition or submission for prosecution of persons alleged to have committed certain enumerated crimes against diplomats.

In its report,⁸ the ILC gave a detailed explanation of why it accepted various alternative ways of tackling the problems before it in drafting the articles. For example, the ILC did not list a series of covered crimes such as murder, kidnapping, and serious bodily assault, because the Commission thought that these words would have significantly

⁷ For text, see BULLETIN of Feb. 22, 1971, p. 231.

⁸ U.N. doc. A/8710.

different technical meanings in the municipal criminal law of a large number of states. Instead, the ILC chose to use nontechnical and general language to describe the acts covered by the draft articles. Thus, the ILC draft covers "violent attacks" upon the person or liberty of an internationally protected person as well as violent attacks upon his official premises or residence if likely to endanger his person.

Secretary Rogers in his September 25 statement to the U.N. General Assembly called for urgent action and prompt adoption of a convention based on the ILC draft articles. This item was taken up first in the Legal Committee of the Assembly, and in that committee the U.S. delegation sought the convening of an early diplomatic conference to adopt a convention. Despite the urgency of the matter, most delegations, however, were not ready to adopt a convention without additional time to study it and to seek and circulate government comments on the draft articles. The committee therefore decided on October 20, rather than to request a special conference, to request government comments on the ILC draft articles and to place on the Assembly agenda for next year the final elaboration of a draft convention on the protection of diplomats.

New U.S. Legislation

I might note that seeking international cooperation for the protection of diplomats is founded, at least in part, on the recognized rule of customary international law that states have a duty to provide a special degree of protection to diplomatic agents. This includes taking reasonable preventive measures when required. Thus, the Vienna Convention on Diplomatic Relations provides in article 29 that the receiving states shall treat the diplomatic agent "with due respect and shall take all appropriate steps to prevent any attack on his person, freedom or dignity."

The obligation to provide domestic protec-

tion to diplomats was reflected in a statute passed by the Congress in 1790, which was based on Great Britain's Act of Anne of 1708. The congressional statute, codified in title 18 of the United States Code, provided for Federal criminal penalties for assaults on certain foreign officials. However, largely because of its limited scope and ambiguity, that statute has fallen into almost total disuse, and the protection of diplomatic agents in the United States has generally been left to State and local governments.

However, with the increase in violence and threats directed against diplomats within the United States—and especially in New York City as a result of the location here of the U.N. Headquarters—there have been increasing repercussions on our international relations. For this reason, we developed new legislation which was submitted to the Congress in August 1971 jointly by the Secretary of State and the Attorney General. This proposed legislation was designed to complement State law by making it a Federal offense to murder or kidnap, assault, or harass foreign officials in the United States. The proposal also established a general rule prohibiting, under certain conditions, demonstrations within 100 feet of buildings belonging to or used by foreign officials. Finally, there was a provision outlawing the intentional destruction of property belonging to foreign officials.

After the tragedy at the Munich Olympics, a new provision was added to allow the Secretary of State to designate foreign nationals as official guests of the United States. Most of the provisions I have just described will apply to such guests, once so designated.

While the bill had a slow start in Congress, with the increasing domestic concern about the issue of terrorism it ultimately received overwhelming support, and President Nixon signed it into law as Public Law 92-539 on October 24. Enactment of this bill provides the Federal Government with crucial new legal authority to investigate or prosecute covered offenses.

Draft Convention on International Terrorism

Just as in recent years there has been an increase in attacks against civil aviation and diplomats, in recent months we have witnessed a new and equally dangerous trend. That is a trend for terrorist groups to export their violence to countries not party to the conflict which spawned it. The Munich tragedy and its continuing progeny are prime examples of this trend. At Munich a Palestinian group attacked Israeli athletes. The attack took place not in the occupied territories or in Israel, but in Germany, a country not a party to the Arab-Israeli conflict. The continuing attacks by letter bombs provide additional examples of this trend to expand the locus of violence and to "internationalize" conflict.

Secretary Rogers circulated with his September 25 statement to the U.N. General Assembly a draft Convention for the Prevention and Punishment of Certain Acts of International Terrorism which is aimed at this ominous development. The draft convention does not seek to define terrorism or to deal with all acts which might reasonably be called terroristic. Rather, it is a narrowly drawn convention which focuses on the common interest of all nations in preventing the spread of violence from countries involved in civil or international conflict to countries not a party to such conflict. The containment of violence within the narrowest feasible territorial limits has been a traditional function of international law in cases where it has been difficult to eliminate violence completely.

The convention covers certain criminal acts such as murder, kidnaping, or causing serious bodily harm.

The mechanism employed to limit the convention's scope to those cases in which we hope there will be an international consensus for joint action is to require that each of four separate conditions must be met.

First, the act must be intended to damage the interests of or obtain concessions from a state or an international organization. This provision differentiates covered acts of inter-

national terrorism from everyday crimes dealt with by domestic criminal laws. For example, assume a citizen of another country is kidnaped in the United States. If it is done for ransom from a relative in the United States, it is a crime under U.S. law but it is not covered by our draft. If, however, it is done to secure the release of guerrillas in the prisons of another country, it is also covered by the draft convention.

Second, the act must be committed or take effect outside the territory of a state of which the alleged offender is a national. The convention does not seek to cover acts by a state's own nationals within the state's own territory even if the acts are directed against a third state. The problem of maintaining civil order among its own nationals in its own territory is primarily one for each state. Assume, for example, that a national of one state kidnaps a person, even a foreign national, in that state in an attempt to obtain the release of imprisoned persons. This act will be a crime under the state's criminal law but is not covered by the convention.

Third, the act must be committed or take effect outside the territory of the state against which the act is directed; that is, the convention is not aimed at acts taking place within a particular state and directed against that state even if committed by nonnationals. For example, if a guerrilla comes into a state of which he is not a national to commit a terrorist act directed against that state, that situation is left to that state to control and is not covered by the draft convention. Though this kind of violence is one dimension of the problem, it is a more difficult dimension to control and is not the principal thrust of the recent trend toward the spread of violence to third countries. Moreover, it is a dimension for which the primary responsibility and opportunity for control lie with the state attacked. The only exception under the draft convention to this third condition is that acts committed or taking effect within the territory of the state against which the act is directed will be covered if the act is directed against a nonnational of that state.

The attack at Lod Airport in Israel by Japanese terrorists is the most notorious example of this type of act.

Fourth, the act must not be committed either by or against a member of the armed forces of a state in the course of military hostilities. If the army of a state carries out an attack against another state, that is not covered by our draft convention. The legality of the attack will be judged by the law of war and the U.N. Charter. The attack may thus be either legal or illegal, and there is no implication of legality to be drawn from the fact that it is not covered by our draft. Similarly, the new draft convention does not seek to replace existing or emerging international rules for the conduct of armed conflict such as the Hague Rules, the 1949 Geneva Conventions, or the projected protocols which may emerge from the 1974 diplomatic conference to supplement the Geneva Conventions. Moreover, the requirement also limits coverage to attacks against civilians and other noncombatants. This limitation parallels the general consensus in the law of war that it is not permissible deliberately to attack civilians or the civilian population.

Let me emphasize that all four of these conditions must be met for the convention to apply. Moreover, the convention deals only with the most serious threats to international order: acts involving unlawful killing, serious bodily harm, or kidnaping; or attempts to commit these acts.

Despite its narrow focus, the convention would cover most of the recent acts of international terrorism evidencing the dangerous trend toward expansion of violence to states not party to a particular conflict. Thus, it would have covered the attacks at the Olympic games, at Lod Airport, and the current wave of letter bombs being sent through the international postal system.

On the other hand, the convention would not deal with internal conflicts within a state unless such conflicts were exported to the territory of third states or directed against third-country nationals. Thus, the convention would neither cover the act of a freedom

fighter in Rhodesia or Angola who attacks a government soldier nor an attack by a member of the IRA against a British soldier in Northern Ireland. Indeed, the convention does not affect the right of self-determination in any way. That right is enshrined in the U.N. Charter and strongly reaffirmed in the Friendly Relations Declaration. The United States, in line with its own historic experience, is a strong supporter of that right. Moreover, the convention would yield to any of the other more specialized conventions governing attacks against diplomats or civil aviation where such conventions are applicable. For example, the recent hijackings by Croatia terrorists in Sweden would be governed by the 1970 Hague Hijacking Convention if there were a conflict between the convention and the new draft convention.

By not covering all types of international terrorism we do not mean to imply that all acts not covered are permissible and should not be of concern to the interested country. We are merely trying to concentrate on those categories of international terrorism which present the greatest current threat and on which there is the best chance of achieving international agreement. Many other kinds of terrorist acts, particularly the involvement of states in assisting terrorist groups, are already illegal under international law. They will remain illegal, wholly apart from the new convention.

Once the critical threshold of coverage is reached, the new convention would establish substantially the same framework for dealing with offenses as the Hague Hijacking and Montreal Sabotage Conventions; that is, states party to the convention would be required to establish severe penalties for covered acts and either to prosecute or extradite offenders found in their territory. In addition, the convention would create an obligation to cooperate with other parties to consider and implement measures to combat covered acts of international terrorism. By using the Hague-Montreal formula, as improved to some extent by the work of the International Law Commission in the draft

convention for the protection of diplomats, we are seeking both effective measures and measures which, because of their widespread acceptance, maximize the chances of acceptance of the new convention.

The new draft convention is currently being considered by the General Assembly. In a praiseworthy initiative in reaction to the Munich incident, Secretary General Waldheim included on the agenda of the Assembly an item on terrorism. While it is too early to expect a significant number of countries to have crystallized views on the draft, we believe that the early adoption of a convention along these lines is strongly in the common interest of all nations and we hope that wide support will be forthcoming.

Let me point up a parallel which I believe well illustrates our philosophy toward dealing with the problem of international terrorism. In 1937 a committee of the Council of the League of Nations drafted a general Convention for the Prevention and Punishment of Terrorism. Unlike our new draft convention it sought to define "acts of terrorism," and it sought to do so in the broadest of terms. It did not differentiate between civil and international conflict or between such conflicts and their spread to third countries. And in fact, it even included a visionary provision on gun control. Not surprisingly, the League convention was ratified by only two states and never came into force.

In contrast, we have sought to limit coverage to the most serious international threats and to work toward a convention which can and should be adopted. In this respect, the new draft convention parallels our earlier efforts aimed at the protection of civil aviation and diplomats. In each case we have sought to isolate a critical threat common to the international community as a whole and to seek agreement on a narrowly drawn convention to deal with the problem.

Despite the anticipated political difficulties in making progress on a convention dealing with the problem of international terrorism, it is worthwhile to remember that only two years ago the Assembly was able unani-

mously to adopt the Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations.⁹ The elaboration of article 2, paragraph 4, of the U.N. Charter, the first principle contained in the declaration, contains the following provision:

Every State has the duty to refrain from organizing, instigating, assisting or participating in acts of civil strife or terrorist acts in another State or acquiescing in organized activities within its territory directed towards the commission of such acts, when the acts referred to in the present paragraph involve a threat or use of force.

We need now to move forward from that principle and seek coordinated international action along the lines I have described. Such agreement would benefit the entire international community and would put to rest any assertions that the international community had become soft on terrorism.

In conclusion, I would suggest that not only the credibility of international law is at stake in this debate but also the type of world in which we and our children are going to live. A convention, by itself, will not make the world safe from terrorism, but a failure to achieve a generally acceptable convention could only encourage increased resort to anarchy, violence, and terror. I do not believe responsible governments will, in the end, decide to run that risk.

Our aim is, as President Nixon said in his statement on November 1, to establish a world in which men and nations can deal with one another without fear of these irrational and deplorable acts of terrorism.¹⁰ We must take action to insure that our society is one where innocent people need not fear that they may be victims of a terrorist attack and to insure that our world is one where diplomats are able to carry on the business of nations without disruption by terrorist attack or harassment.

⁹ For text, see BULLETIN of Nov. 16, 1970, p. 627.

¹⁰ For a statement by President Nixon issued on Nov. 1 upon signing the instrument of ratification of the Montreal Convention, see BULLETIN of Nov. 20, 1972, p. 607.

President Discusses Foreign Policy in Washington Star-News Interview

*Following are statements by President Nixon excerpted from the transcript of an interview at San Clemente, Calif., on November 5 with Garnett D. Horner, White House correspondent of the Washington Evening Star and Daily News.*¹

The first year will be a very busy one. We are going to move on SALT II [Strategic Arms Limitation Talks]. We, of course, will be moving on the European Security Conference, and in a parallel channel we will be moving on the MBFR, mutual balanced force reduction. We will continue the dialogue with the PRC (the People's Republic of China), although that is a long-range process. Nothing sudden is going to happen. There will be no change, no change whatever, in our policy toward Cuba unless and until—and I do not anticipate this will happen—Castro changes his policy toward Latin America and the United States. The Middle East will have a very high priority because while the Mideast has been, over the past couple of years, in a period of uneasy truce or armistice, or whatever you want to call it, it can explode at any time.

Now, as far as other parts of the world are concerned, I wouldn't want to leave the impression that Latin America and Africa will not get attention. They will, because none of our present policies are going to be sacred cows. I am going to look at the Latin American policy and African policy to see how our programs can be improved in those areas.

In the international field we must move to get a more stable monetary system, and we must move in the trade field so that the United States can continue to get a proper break in our trading relations with other countries.

So I would say that while the next four

years will not be as spectacular as the year 1972, where we had the opening to Peking, the first summit with the Russians, and the August 15 [1971] international monetary moves, that the next four years will build on those and will really accomplish more, because those were basically the first steps which opened the way for much bigger steps in the future.

For example, SALT II will be more important than SALT I. It is going to accomplish more. It is going to have more of a limitation. The European Security Conference, the Mideast, all of these areas. Let me tell you this on Viet-Nam—when I tell you I am completely confident that we are going to have a settlement, you can bank on it.

Assuming there is a Viet-Nam settlement, the President was asked about Southeast Asia's future for the next four years.

Well, it will have to be a future in which we continue to provide economic assistance, and some military assistance as well, to our friends in that area, because the Communist nations are going to provide the same kind of assistance to North Viet-Nam. We will, as we have said, provide some assistance also to North Viet-Nam on an economic basis.

Our interest is not only to bring an agreement that ends the war now but to have an influence on the events in the future, and it is much better to have a relationship with the North Vietnamese than not to have it.

The President has often indicated he would like to be remembered on the world scene as a president who brought in a new era of peace, and he was asked how he would like to be remembered on domestic affairs as well.

Let me say on the world scene I would change it just a little. Whether the United States, as the only nation powerful enough in the free world to play this role, steps up to its responsibility and leads the way to this new period of peace, this is the real issue: whether we step up to it or turn isolationist.

That is why I thought that was one of the great issues of this campaign. A weaker

¹ Reprinted with permission from the Star-News of Nov. 9. In its introduction to the interview, the Star-News stated that "While the President did not want the interview published in question and answer form, he authorized direct quotation."

America, turned inward, in my view, wouldn't have been good for the people in this country at home. But that is debatable. It would have been a disaster for the world, because without the United States on the world scene, smaller nations would be living in terror, because where there is a power vacuum that vacuum is filled.

The United States now has a relationship with the Soviet Union and the Chinese, one of whom is a superpower, the other who has the potential in the future, which is a healthy relationship, but it is one in which our strength must always be maintained until we have mutual agreement to reduce.

Now, on the domestic scene: I think that the tragedy of the sixties is that so many Americans, and particularly so many young Americans, lost faith in their country, in the American system, in their country's foreign policy. Many were influenced to believe that they should be ashamed of our country's record in foreign policy and what we were doing in the world; that we should be ashamed of what America did, and all.

Many Americans got the impression that this was an ugly country, racist, not compassionate, and part of the reason for this was the tendency of some to take every mole that we had and to make it look like a cancer.

Now, let us understand: This is not a perfect country. There is much that is wrong that needs to be corrected. But I don't say this in any jingoistic sense—I have seen the world, and I don't know any young person abroad, if he had the chance, who wouldn't rather be here than someplace else.

What I think we have to do is not simply to reinstall in Americans a pride in country; a majority of the Americans do have a pride in country. You see how they respond.

But they must not do it on blind faith, "my country, right or wrong, but my country." We want them to know why this country is right. Now, taking the foreign field, we want to make the American people feel proud of their country's role in the foreign field. I think the trips to Peking and Moscow helped in that respect. I think the people saw that

the United States was leading the world in peace and that we were the only ones who could do it. They were proud of our country.

We are going to continue to exert that kind of leadership.

167th Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Ambassador William J. Porter, head of the U.S. delegation, at the 167th plenary session of the meetings on Viet-Nam at Paris on November 16.

Press release 284 dated November 16

Ladies and gentlemen: Each of us is aware that the restoration of peace in Viet-Nam is approaching. Each of us is equally well aware of the efforts being made to refine and perfect the accomplishments of negotiation so that a settlement fair to all will result. It is reasonable, therefore, to expect that our deliberations in this forum be consistent with the good will and seriousness required for productive negotiations. Our statements here should enhance the development of mutual respect in preparation for supplanting long-held antagonisms by new responsibilities toward peace, reconstruction, and reconciliation. It seems obvious, therefore, that exaggerated rhetoric and unfounded charges of bad faith make no positive contribution either to our current efforts or to the future relationships we hope to develop. Recriminations and invective only dredge up old enmities we seek to dispel. They have no part in our current deliberations.

Instead, our discussions should be directed toward the goal of peaceful settlement, much nearer than we imagined only a few weeks ago. We have come this far because of negotiations conducted in good will and with constructive purpose. Still further progress will come to us through the same means.

The Inter-American Community: Our Heritage and Our Future

*Address by Secretary Rogers*¹

I am pleased to join you today to celebrate a century and a half of diplomatic relations between the United States and the nations of Latin America. It is especially fitting that we hold this commemorative session of the OAS Permanent Council in Philadelphia. This city was long the home and is the resting place of Manuel Torres, the first accredited Latin American diplomatic representative to the United States and a man who helped construct the solid foundations on which our historic association is built.

The idea of this hemisphere as a unique community had begun to take root in 1796 when Manuel Torres arrived in this city a political refugee. It flowered in June of 1822 when President Monroe accepted Torres' credentials as Chargé d'Affaires of Gran Colombia. By this act the United States became the first nation outside Latin America to recognize the independence of a Latin American government.

This initial recognition, the first official bond between us, was not fortuitous. Rather, it reflected the conviction of our early leaders that the future of the hemisphere lay in cooperative association. From that beginning there developed a common faith in the benefits of freedom, in the importance of the individual, and in the possibility of human reason to deal with the age-old afflictions of society. This bond was sealed when many Latin American countries modeled their constitutions after the one that was drafted in these halls. And our pursuit of a common political destiny was reinforced by rapidly expanding trade, a commerce which appropriately enough found this city at its forefront.

With their breadth of vision, the men who

first sketched the outlines of the inter-American community were as alive to its diversities as they were to similarities that existed within the hemisphere. Diversity of historical experience, diversity of economic condition, diversity of culture, were all manifestly present. And as was to be expected, over the years there have indeed been differences in perception of national interest.

Nevertheless, what is impressive to me in the record of our 150-year-old association is the continued vitality of the idea that by circumstance and by choice we are a community—a community which has brought great benefits to its members. We have forged significant intellectual, economic, political, and security ties. Particularly, we have created together the inter-American system, which despite its imperfections has served our community in so many ways so well.

We must recognize, however, that the world in which our association began has been dramatically altered. Modern communications have collapsed time and space. The isolation of the hemisphere has disappeared. While all nations have developed significantly, material disparities still exist and in some instances have grown. Our intellectual community has been challenged by new ideas and changing values.

For our association to continue to draw spirit from the ideas that created it, we have to adjust our purposes to vastly different times and conditions from those in which Manuel Torres walked the streets of Philadelphia. We should welcome the challenge of adjustment, since no institution or idea can usefully survive if it is not constantly tested. As we examine our purposes and possibilities, we will need what Elihu Root, a distinguished predecessor of mine, called the "imagination which enlarges the historian's understanding of the past into the statesman's comprehension of the future."

One new development of great promise is the acceleration of Latin America's constructive involvement in an interdependent world. The United States has sought to encourage these trends. For example, Mexico, Brazil,

¹ Made before a protocolary session of the Permanent Council of the Organization of American States at Congress Hall, Independence Square, Philadelphia, Pa., on Nov. 14 (press release 283).

and Argentina are, with our support, among the 20 nations which will be primarily concerned with developing a new international monetary policy. We hope to work closely with them during those negotiations.

We will work on a similar basis with Latin American countries which will be involved in next year's trade negotiations, for our economic interests in a world of freer trade should be mutually supporting. More broadly, we expect to expand our process of consultation with individual Latin American countries on specific international and bilateral issues. The enlargement of our individual roles in international affairs gives us the opportunity to deepen our community of interest on global as well as hemispheric issues.

It is equally important to maintain broad support for the regional organizations of the hemisphere, and in particular for the OAS—the linchpin of the inter-American system. We must continue to work together to find ways to make our system more effective. I hope, for example, we can enhance both the cooperative and consultative role of the OAS by finding ways for the Foreign Ministers to exchange views more frankly and freely when we meet together at its next General Assembly.

Because economic relations are so vital to our community of interest, I also welcome the initiative of our distinguished Secretary General, Mr. Galo Plaza, to place on the agenda of the next OAS General Assembly a review of inter-American cooperation in economic development with a view toward possible reform. We in the U.S. Government understand the priority you give to development in all its aspects. We give it the same

priority, and we regret that it has not been possible so far to do as much as we both would have liked.

The changes we have undertaken in recent years in our policy toward Latin America are based on a genuine desire to modernize our relationships. President Nixon has asked me to tell you that during his second term we will remain committed to the interests of the hemisphere and determined to make a substantial contribution to its social and economic progress:

—We will pursue a policy of cooperation with Latin America in a relationship of greater equality, shared initiatives, and mutual responsibilities;

—We will work to insure that the legitimate interests of all the nations of Latin America are represented in the new international monetary and trade systems to be negotiated;

—We will cooperate with you directly in this hemisphere to strengthen and diversify our trade, investment, and assistance ties; and

—We will seek to resolve the issues between us, over fisheries, over territorial seas, over investment, and all others, in the spirit of friendship and mutual respect which is the essence of our inter-American system.

This ceremony today reminds us that our community is endowed with a rich heritage. We have an obligation to our forebears and a duty to our heirs to enrich what we have received. I am certain that, working together, we can be faithful to the past and worthy of the future. It remains the desire and the intention of the U.S. Government to help fulfill that trust.

Foreign Private Investment and Development

Address by Sidney Weintraub

*Deputy Assistant Secretary for International Finance and Development*¹

I propose to set forth briefly the content and rationale of U.S. policy on private foreign investment and development in the developing countries and then to touch on various themes sometimes stated by those who see disadvantages for developing countries in receiving foreign private investment.

In order to place my remarks in context, let me first cite some overall data on U.S. direct foreign investment.

Net direct investment by U.S. firms in 1971 was \$7.9 billion, raising the book value of U.S. direct foreign investment to \$86 billion. In 1971, two-thirds of the allocated net investment went to developed countries, and one-third to developing countries.

Of the \$86 billion stock of foreign investment at the end of 1971, 41.2 percent or \$35.5 billion was in manufacturing, 28.2 percent or \$24.3 billion in petroleum, 7.8 percent or \$6.7 billion in mining, and 22.7 percent or \$19.5 billion in other activities.

The rate of growth of U.S. direct investment over the four years from the end of 1967 to the end of 1971 was 32.7 percent for the developed countries and 26.9 percent for the developing countries. Among the developing countries—omitting the Middle East because of the peculiarities related to petroleum investment—the rate of growth was 62.1 percent for Africa, 48.5 percent for the developing countries of Asia, and only 22.5

percent for Latin America. In Latin America, a few countries accounted for the bulk of the growth in investment.

The essence of our official policy is to encourage investment into those developing countries that seek investment. The corollary to this, of course, is that there will be no encouragement from the U.S. Government where our private investment is not wanted. If another country's philosophic approach is anti-foreign-investment, so be it. There are no shortages of opportunities for scarce capital.

By encouraging investment where it is wanted, I have in mind programs such as those administered by the Overseas Private Investment Corporation, which can reduce the political risks involved in certain types of investment in friendly developing countries through various types of insurance and can stimulate investment by means of guarantees and financing programs.

Host countries have the right to set the ground rules under which they will accept private foreign investment, and on the basis of these, the investor can make up his own mind whether he likes the rules or will go elsewhere. But once the rules are set and the investment made, the host country has an obligation to live up to them or compensate for retroactively changed rules if it feels change is necessary.

All countries have the right, whether it is wise or not, to expropriate foreign property, as long as the taking is nondiscriminatory

¹ Made before the 59th National Foreign Trade Convention of the National Foreign Trade Council, Inc., at New York, N.Y., on Nov. 15.

and for a public purpose. They also have the obligation to compensate promptly, adequately, and in an effectively realizable form when such a taking occurs.

Issues related to expropriation and compensation have become contentious in certain countries from time to time. I think there is an obligation on all parties to seek to mitigate the contention. Investors must be alert to psychological factors involved in their investments, in the operation of their businesses, and in being a foreigner with economic influence. The host and investing governments should seek more impartial dispute settlement procedures. No purpose is served when either government appeals to nationalistic emotion in its own country designed largely to avoid an impartial settlement of a dispute. When host governments seize property and then refuse to pay, they really have no complaint when the investor does what is necessary to protect himself.

I think the foregoing represents the key aspects of our policy: We will encourage investment where it is wanted; we would like to avoid investment disputes but, like death and taxes, we know they will sometimes occur; we therefore would like to work out impartial procedures for settling such disputes, procedures which will lower the emotional tempers. Even though I find none of this unreasonable, I realize how much opposition these precepts can arouse among those in developing countries who oppose private foreign investment or who oppose impartial or third-party dispute settlement procedures.

The United States has had much to do with fostering economic and social development objectives in developing countries. We pioneered in techniques for providing development assistance in the postindependence period following the Second World War. We have provided billions of dollars in grants and loans and technical assistance to demonstrate our sincerity that we want poorer countries to become richer. Our interest is obviously not all altruistic. Richer people provide better markets, and we see little permanent stability in a world of eternal

confrontation between relatively rich and excessively poor nations.

We have never felt that aid by itself develops nations or that aid is necessarily always the best way to transfer resources. Those developing countries which have done best in the modern development process have tended to earn their own way through the export of goods and services. There is a high correlation between export growth and total growth. Another observed fact is that foreign investors tend to be more export-minded than other investors. Foreign investors are used to exporting, and they often provide an external network to tap export markets.

The foreign investor wishes to make his business a success. This involves bringing in capital, but also management and technical skills. Training local management and labor is necessary if the enterprise is to prosper and endure. To survive in today's world, a foreign investor must learn to operate in the local milieu and be as solicitous of local customs as domestic entrepreneurs, indeed even more solicitous.

In short, the United States is convinced that private investment can promote development. Just how effectively it will do so depends in part on the investor but more crucially on total host-government economic and political policies.

The foregoing, given its level of generality, is, I think, generally accepted. The critics of foreign investment base their case on some cost-benefit calculus. It might serve a useful purpose if I deal with some of the specific costs often cited.

1. "The financial costs of foreign investment are greater than the financial benefits." The persons using this argument, in its most simplistic and frequently cited form, refer to two figures in a developing country's balance of payments, the inflow from private foreign investment and the outflow for profit remittances, since the figures sometimes show the latter greater than the former. I do not think this criticism deserves much attention, since it deliberately omits dealing with exports generated and imports avoided due to

investment. It omits also a good many other aspects of investment unrelated to the balance of payments, such as technology and managerial transfers, employment-creating effects, domestic purchasing power produced, all of which do affect incomes and welfare. Obviously an investor seeks to make a profit, and obviously over time he expects this stream of profits to be arithmetically greater than the initial investment. When he reinvests, he expects this to yield profits over time.

2. "The technology transferred to developing countries is often inferior." This is an interesting argument and not a simple one, since many economists will argue the contrary—that the imported capital is often too sophisticated, in that its use economizes too much on the use of labor and thus fails to exploit one element of comparative advantage developing countries tend to enjoy. Host countries, by their own policies, such as in setting interest rates and in tariff treatment of imported capital, can guide investment into production techniques which are more or less labor or capital intensive, and thus they have a good deal to say about the level of technology imported. The investor looks to his rate of return, and his bias may often be to the more rather than the less sophisticated technology. I am therefore not at all sure that this criticism can stand full scrutiny.

3. "Since the decisionmaking center is outside the host country, control over development planning is lost." This argument has a number of subsidiary ones: The investor may be guided by maximizing profit of many enterprises around the world while the host country may be concerned chiefly with domestic employment effects, and these may conflict; the investor may wish to produce for the domestic market, and the host country may wish to stress exports. These emotional-intellectual arguments are often heard in developed as well as developing host countries and they are often implicitly accepted even though they are empirically unproven. My own judgment is that these arguments

confuse enterprise ownership with country policy guidance, in that a host country has considerable control over economic planning even if it does not own particular economic activities. Setting utility rates, directing industry location, establishing norms for local manufacturing content, are among the examples of such policy control. I see no inherent reason why a foreign investor need always be less subject to governmental direction within the framework of a total development plan than a domestic investor. It is true that a foreign investor theoretically can more easily pick up his marbles and leave than can a domestic investor if government direction is too onerous, but I assume that host governments which seek investments do not wish to destroy their profitability.

4. "Some foreign investors try to subvert governments." If this occurs, the investor's government also is being treated unfairly. This criticism may once have had much validity, but probably not very much today. Domestic investors may not be above trying to subvert governments. As to foreign investors, I doubt that efforts at subversion are either as sinister or as widespread as the charge implies; and I doubt even more that the efforts, even if made, are successful.

5. "Foreign investors do not understand local mores." This charge may come as frequently from competing domestic investors as from host governments. I hope it is an empty criticism. It may once have been true. I doubt that it is really valid anymore for the successful foreign investor.

6. "Foreign investors do not do enough to train local entrepreneurs." It would be foolish for the modern foreign investor to operate this way. Again, I suspect that the charge had more validity in the past than it does today for the successful investor.

7. "Foreign investors borrow on local money markets and thus make it more difficult for local investors." It is true that foreign investors both bring in capital and seek to use local capital. My own guess is that this total process helps in developing local capital

sources rather than diminishes them, so that there may be more benefit than cost in this criticism. The issue really deserves analysis rather than emotion.

8. "We do not mind when foreign investors establish new businesses, but they add nothing when they take over existing profitable enterprises." This argument is heard often, in developed as well as developing countries. Its rationale is that a takeover adds no managerial talent that did not exist before, adds no new technology, and only exploits what domestic interests were able before to do by themselves. If this were all that were involved in takeovers, then the case against takeovers would be a formidable one indeed. But this is rarely all that is involved. A takeover often—perhaps almost always—involves expansion of production, technical innovation, the addition of an export network, and employment growth that might not otherwise have occurred. The case for and the case against takeovers should probably not be argued in their totality but rather for each particular instance that arises.

Because of time limitations, I have dealt summarily with a big subject and have tried to simplify without distorting. Capital is a scarce commodity, far more scarce than opportunities for using it. Private capital will go, at home or abroad, where its return can be maximized and its risk minimized. Managerial talent that must accompany new investment is even more scarce. As a government and a people, we have encouraged capital and talent to go to developing countries because they can stimulate economic growth, employment, and social progress.

Private investment can also, like many other things that are beneficial, create prob-

lems at times, problems relating to the conflict that seems almost universally to exist in host countries between higher incomes resulting from foreign investment and domestic pride rebelling against an enterprise that is foreign owned. We think, with good will, these conflicts can be contained and their most harmful effects minimized.

United States To Attend Consultations on Security and Cooperation in Europe

Following is the text of a note which was delivered by the American Embassy at Helsinki to the Finnish Ministry of Foreign Affairs on November 16.

The Embassy of the United States of America presents its compliments to the Finnish Ministry of Foreign Affairs and, with reference to the Ministry's note of November 9, 1972, transmitting a memorandum and an annex, has the honor to accept the invitation of the Finnish Government to attend multilateral consultations in Helsinki, beginning on November 22, on the question of a conference on security and cooperation in Europe. The Government of the United States of America wishes to make clear in this connection that the acceptance of the invitation and participation does not affect the legal position that it has hitherto adopted on questions arising out of the special situation in Germany.

In accordance with the existing understanding, the United States will be represented for the duration of these multilateral consultations by the Chief of its Mission accredited in Helsinki.

U.S. and U.S.S.R. Sign Maritime Agreement

The U.S.-U.S.S.R. Agreement Regarding Certain Maritime Matters was signed at Washington October 14. Following are a White House fact sheet issued that day and the texts of the agreement, with annexes, and related U.S. letters.

WHITE HOUSE FACT SHEET

White House press release dated October 14

A major maritime agreement with the Soviet Union was signed on October 14 by U.S. Secretary of Commerce Peter G. Peterson and the Minister of Merchant Marine of the Union of Soviet Socialist Republics Timofey B. Guzhenko. This agreement represents another necessary link in the establishment of an expanding commercial relationship with the Soviet Union.

The negotiations which culminated in this agreement were initiated in the latter part of 1971 and have been the subject of a series of meetings in Washington and Moscow throughout 1972.

By providing a broad framework and a clear set of ground rules for maritime activities between the two countries, this agreement is an important step toward normalizing and expanding maritime relationships between the United States and the Soviet Union.

Objectives

The agreement has two basic objectives: first, to open the channels of maritime commerce between the two nations by opening

major U.S. and Soviet commercial ports to calls by specified kinds of U.S.-flag and Soviet-flag vessels; and secondly, to afford to U.S.-flag vessels and Soviet-flag vessels the opportunity to participate equally and substantially in the carriage of all cargoes moving by sea between the two nations.

Salient Points of the Agreement

Port Access. The agreement provides access to specified Soviet and U.S. ports to flag vessels of both countries engaged in commercial maritime shipping and merchant marine training activities. Under the agreement, 40 ports in each nation are open to access by vessels of the other nation upon four days' advance notice to the appropriate authorities. The selection of the ports was based on commercial considerations, reasonable reciprocity, and protection of national security interests. The U.S. ports open to access by Soviet vessels on this basis are listed in annex I of the agreement.

While the four-day notice requirement is more than the normal 24-hour notice period applicable to commercial vessels, it is substantially less restrictive than the 14-day advance request requirement now applied by each government to ships bearing the other's flag. Entry of vessels to ports not specified in the agreement will continue to be permitted in accordance with existing rules and regulations; i.e., the 14-day prior request provisions will still apply. Requests for entry by Soviet vessels to U.S. ports not specified in the agreement must be made of the Department of State, Washington, D.C., and must be ac-

accompanied by an itinerary complete with ports of call and dates. Maritime training vessels and hydrographic and other research vessels may enter the ports only for purposes of resupply, rest, crew changes, minor repairs, and other services normally provided in such ports.

The agreement does not involve any concessions in the policy of the United States with respect to ships which have called on Cuban, North Vietnamese, or North Korean ports. Soviet vessels which have called or will call on Cuba, North Viet-Nam, or North Korea will not be permitted to bunker in U.S. ports, and Soviet vessels which have called on Cuba or North Viet-Nam will not be permitted to load or unload in U.S. ports government-financed cargoes such as grains sold on Commodity Credit Corporation credit terms.

In addition, the agreement contemplates the access of initially 81 U.S. and 50 Soviet vessels engaged in hydrographic, oceanographic, meteorological, or terrestrial magnetic-field research of a civilian nature. The agreement does not include vessels engaged in fishing or related activities, since these matters are covered by separate agreements; nor does it include warships or vessels carrying out state functions other than those mentioned above. It is not intended to cover any liquefied natural gas trade which may develop between the nations.

Tonnage Duties. Under the agreement, neither nation shall charge vessels of the other tonnage duties which exceed duties charged to vessels of other nations in like situations.

Equal and Substantial Sharing. The agreement sets forth the intention of both governments that the national-flag vessels of each country will each carry equal and substantial shares of the oceanborne commerce between the two nations. At the same time, the agreement recognizes the policy of both the United States and the Soviet Union with respect to participation in its trade by third-flag vessels.

The intention that a substantial share of

the trade between the two nations will be carried by each national-flag merchant marine is defined as meaning that the national-flag vessels of each nation will have the opportunity to carry not less than one-third of all cargoes moving in whole or in part by sea between the two nations, whether by direct movement or by transshipment through third countries. In the case of grain shipments, the one-third requirement is to be applied retroactively to all shipments since July 1, 1972.

Equal share of the trade between the two nations is measured on the basis of U.S.-dollar freight value of cargo carryings by the national-flag vessels of each party during each calendar year accounting period. Special accounting procedures are established to determine on a uniform basis the U.S.-dollar freight value of cargo carryings and to protect against the possibility of disparities caused by the undervaluing of freight rates to increase the volume of cargo carried. These procedures are also designed to permit continuous monitoring so as to maintain parity of carriage throughout the accounting period. Cargoes carried in liner vessels and bulk cargoes carried in nonliner service are accounted for separately under the agreement due to the difference in the methods of establishing freight rates.

The opportunity for carriage of equal and substantial shares of the trade between the two nations by national-flag ships is to be assured by the routing of controlled cargoes; i.e., cargoes with respect to which entities of either government have the power to designate the carriage. On the U.S. side, this includes only those cargoes which are subject to U.S. Government control under our cargo preference laws. On the Soviet side, all exports and imports for which entities of the U.S.S.R. have or could have the power at any time to designate the carrier are included.

Recognition has been given to the practical commercial consideration that vessels of either nation may not be available to carry the amount of cargo to which they are entitled under the principles of the agreement.

Under such circumstances, a limited variance from the equal and substantial sharing rules is provided. Such variance is permitted where the cargo was offered on reasonable terms and conditions and where the unavailability of national-flag carriers is certified by a representative of the U.S. Maritime Administration or U.S.S.R. Ministry of Merchant Marine, as the case may be. Even though unavailability has been certified by the appropriate representative, there is still an obligation to continue to offer controlled cargo to restore the one-third share if possible within the same calendar year.

Freight Rates. The matter of freight rates to be paid to U.S. vessels is an important provision of the agreement. With respect to liner service, U.S.-flag carriers should face no significant problems because U.S. vessels can participate in this trade under the conference-rate system with the assistance of the U.S. operating subsidy program. Rates for shipment of bulk cargo such as grain, however, present a different situation. Bulk cargo is shipped in world trade under charter rates which are set in competition with ships of nations with far lower costs than American ships. The United States has never before had a subsidy system which permits its vessels to compete in the bulk grain trade, although such a subsidy system was legislatively authorized in 1970. In lieu of a subsidy system for bulk cargo, there were regulations which required shipments of grain to the Soviet Union to move 50 percent in U.S.-flag vessels. This, however, never resulted in significant carriage for U.S. vessels. Freight rates are a substantial part of the cost of grain, and without subsidy the rates charged by U.S.-flag carriers increased the cost of grain beyond the level buyers were willing to pay.

Under the agreement, the two governments have worked out rate provisions for two categories of bulk cargo to be carried by U.S. vessels.

For nonagricultural bulk cargoes, the agreement in essence provides that American

vessels shall be paid in each year the average of the freight rate for that category of cargo on the route in question over the prior three calendar years.

The other and far more important category of charter rates is for agricultural commodities and products. With respect to these cargoes, the Soviet Union will offer to U.S. vessels the *higher of*:

1. A rate computed on the three-year-average formula described above for the years 1969, 1970, and 1971. This rate for the route most expected to be used for the current grain sales is \$8.05 per ton for wheat and other heavy grains; or

2. 110 percent of the current market rates for the shipment involved.

In addition to these provisions, for agricultural cargo the Soviet Union has also agreed to terms relating to unloading ships in the Soviet Union which are more favorable to U.S. vessels than would otherwise apply in this trade. Our maritime experts estimate these special terms represent a reduction from typical rates of at least \$1.75 per ton.

These special provisions for rates on agricultural cargo apply through June 30, 1973, by which time the parties will negotiate future rates. This will permit review of the actual workings of this rate system near the close of the current unusual grain shipment season.

Term of Agreement. The agreement remains in force through 1975, subject to earlier termination by either party on 90 days' notice.

U.S. Subsidy

Although not part of the agreement, a necessary part of achieving its objectives is that the United States pay a subsidy to its own vessels in the carriage of agricultural cargo. This is not a financial advantage to the Soviet Union, since it could carry all this cargo in its own vessels or third-flag vessels at lower costs than it will pay U.S. vessels. The combination of higher than market charter rates

and favorable terms for unloading afforded U.S.-flag vessels reduces the subsidy costs.

The subsidy system, to be published shortly, is authorized under the Merchant Marine Act of 1970. Because the ships which will be involved in this trade—unlike U.S.-flag vessels carrying freight in the liner trade—have not received U.S. construction subsidies, the subsidy to be provided will take into account the amount by which U.S. construction costs exceed foreign construction costs. In order to keep the subsidy at a minimum, it has basically been designed to create no more than a break-even situation at \$8.05 for most ships which will be likely to participate. The estimated subsidy paid to vessels carrying agricultural cargo under the agreement will be in the range of \$8 to \$10 a ton if market rates stay in the range of \$9 to \$11 a ton, which compares to the current subsidy of about \$19 per ton on Public Law 480 grain shipments.

Among provisions limiting the subsidy paid for movements under the agreement will be the following:

1. Where market rates exceed the \$8.05, all of the excess paid by the Soviet Union over market (i.e., 10-percent premium) is used to reduce the subsidy.

2. When the market rate is \$9 or more, a substantial part of the amount over \$9 will be used to reduce the subsidy.

3. Each subsidy contract will have a renegotiation clause to insure that no excess profits are made.

The exact amount of subsidy which will be involved with respect to carrying the American share of the grain cargo is difficult to predict with precision because it depends on factors such as: (1) the volume of the Soviet grain trade actually carried by U.S. ships (which will be reduced to the extent that more attractive carriage is available (such as Public Law 480 or oil)); (2) the level of market rates, since the U.S. subsidy paid will be substantially reduced as market rates go up.

TEXTS OF MARITIME AGREEMENT AND RELATED U.S. LETTERS

Text of Agreement

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING CERTAIN MARITIME MATTERS

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Being desirous of improving maritime relations between the United States and the Soviet Union, particularly through arrangements regarding port access and cargo carriage by sea; and

Acting in accordance with Article Seven of the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics, signed in Moscow on May 29, 1972,¹

Have agreed as follows:

ARTICLE 1

For purposes of this Agreement:

a. "Vessel" means a vessel sailing under the flag of a Party, registered in the territory of that Party, or which is an unregistered vessel belonging to the Government of such Party, and which is used for:

- (i) Commercial maritime shipping, or
- (ii) Merchant marine training purposes, or
- (iii) Hydrographic, oceanographic, meteorological, or terrestrial magnetic field research for civil application.

b. "Vessel" does not include:

- (i) Warships as defined in the 1958 Geneva Convention on the High Seas;
- (ii) Vessels carrying out any form of state function except for those mentioned under paragraph a of this Article.

ARTICLE 2

This Agreement does not apply to or affect the rights of fishing vessels, fishery research vessels, or fishery support vessels. This Agreement does not affect existing arrangements with respect to such vessels.

ARTICLE 3

The ports on the attached list of ports of each Party (Annexes I and II, which are a part of this

¹ For text, see BULLETIN of June 26, 1972, p. 898.

Agreement) are open to access by all vessels of the other Party.

ARTICLE 4

Entry of all vessels of one Party into such ports of the other Party shall be permitted subject to four days' advance notice of the planned entry to the appropriate authority.

ARTICLE 5

Entry of all vessels referred to in subparagraphs a(ii) and a(iii) of Article 1 into the ports referred to in Article 3 will be to replenish ships' stores or fresh water, obtain bunkers, provide rest for or make changes in the personnel of such vessels, and obtain minor repairs and other services normally provided in such ports, all in accordance with applicable rules and regulations.

ARTICLE 6

Each Party undertakes to ensure that tonnage duties upon vessels of the other Party will not exceed the charges imposed in like situations with respect to vessels of any other country.

ARTICLE 7

While recognizing the policy of each Party concerning participation of third flags in its trade, each Party also recognizes the interest of the other in carrying a substantial part of its foreign trade in vessels of its own registry, and thus both Parties intend that their national flag vessels will each carry equal and substantial shares of the trade between the two nations in accordance with Annex III which is a part of this Agreement.

ARTICLE 8

Each Party agrees that, where it controls the selection of the carrier of its export and import cargoes, it will provide to vessels under the flag of the other Party participation equal to that of vessels under its own flag in accordance with the agreement in Annex III.

ARTICLE 9

The Parties shall enter into consultations within fourteen days from the date a request for consultation is received from either Party regarding any matter involving the application, interpretation, implementation, amendment, or renewal of this Agreement.

ARTICLE 10

This Agreement shall enter into force on January 1, 1973; provided that this date may be accelerated by mutual agreement of the Parties. The Agreement will remain in force for the period ending December

31, 1975, provided that the Agreement may be terminated by either Party. The termination shall be effective ninety days after the date on which written notice of termination has been received.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Washington this fourteenth day of October, 1972, in duplicate in the English and Russian languages, both equally authentic.

For the Government of the United States of America:	For the Government of the Union of Soviet Socialist Republics:
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PETER G. PETERSON
Secretary of Commerce

T. GUZHENKO
*Minister
of Merchant Marine*

Texts of Annexes to Agreement

ANNEX I

PORTS OF THE UNITED STATES OF AMERICA OPEN TO CALLS UPON NOTICE

1. Skagway, Alaska
2. Seattle, Washington
3. Longview, Washington
4. Corpus Christi, Texas
5. Port Arthur, Texas
6. Bellingham, Washington
7. Everett, Washington
8. Olympia, Washington
9. Tacoma, Washington
10. Coos Bay (including North Bend), Oregon
11. Portland (including Vancouver, Washington), Oregon
12. Astoria, Oregon
13. Sacramento, California
14. San Francisco (including Alameda, Oakland, Berkeley, Richmond), California
15. Long Beach, California
16. Los Angeles (including San Pedro, Wilmington, Terminal Island), California
17. Eureka, California
18. Honolulu, Hawaii
19. Galveston/Texas City, Texas
20. Burnside, Louisiana
21. New Orleans, Louisiana
22. Baton Rouge, Louisiana
23. Mobile, Alabama
24. Tampa, Florida
25. Houston, Texas
26. Beaumont, Texas
27. Brownsville, Texas
28. Ponce, Puerto Rico

29. New York (New York and New Jersey parts of the Port of New York Authority), New York
30. Philadelphia, Pennsylvania (including Camden, New Jersey)
31. Baltimore, Maryland
32. Savannah, Georgia
33. Erie, Pennsylvania
34. Duluth, Minnesota/Superior, Wisconsin
35. Chicago, Illinois
36. Milwaukee, Wisconsin
37. Kenosha, Wisconsin
38. Cleveland, Ohio
39. Toledo, Ohio
40. Bay City, Michigan

ANNEX II

PORTS OF THE UNION OF SOVIET SOCIALIST REPUBLICS OPEN TO CALLS UPON NOTICE

1. Murmansk
2. Onega
3. Arkhangel'sk
4. Mezen'
5. Nar'yan-Mar
6. Igarka
7. Leningrad
8. Vyborg
9. Pyarnu
10. Riga
11. Ventspils
12. Klaipeda
13. Tallinn
14. Vysotsk
15. Reni
16. Izmail
17. Kiliya
18. Belgorod-Dnestrovskiy
19. Il'ichevsk
20. Odessa
21. Kherson
22. Novorossiysk
23. Tuapse
24. Poti
25. Batumi
26. Sochi
27. Sukhumi
28. Yalta
29. Zhdanov
30. Berdyansk
31. Nakhodka
32. Aleksandrovsk-Sakhalinskiy
33. Makarevskiy Roadstead (Roadstead Doue)
34. Oktyabr'skiy
35. Shakhtersk
36. Uglegorsk
37. Kholm'sk

38. Nevel'sk
39. Makarov Roadstead
40. Poronaysk

ANNEX III

SUPPLEMENTAL AGREEMENT ON NATIONAL FLAG CARGO CARRIAGE

WHEREAS, each Party recognizes the policy of the other concerning the participation of third flags in its trade, each Party also recognizes the interest of the other in carrying a substantial part of its foreign trade in vessels of its own registry and thus both Parties intend that their national flag vessels will each carry equal and substantial shares of the trade between the two nations in accordance with this Annex, and

WHEREAS, each Party has agreed that, where it controls the selection of the carrier for its export and import cargoes, it will provide to vessels under the flag of the other Party participation equal to that of vessels under its own flag, it is agreed as follows:

1. DEFINITIONS

For the purpose of this Annex and the Agreement of which this Annex is a part:

a. "Substantial share of the trade between the two nations" means not less than one-third of bilateral cargoes.

b. "Bilateral cargo" means any cargo, the shipment of which originates in the territory of one Party and moves in whole or in part by sea to a destination in the territory of the other Party, whether by direct movement or by transshipment through third countries.

c. "Controlled cargo" means any bilateral cargo with respect to which a public authority or public entity of either Party or their agents has the power of designating the carrier or the flag of carriage at any time prior to such designation, and includes:

(i) on the United States side all bilateral cargo which a public authority or public entity of the United States has or could have the power at any time to designate the flag of carriage pursuant to cargo preference legislation, and

(ii) on the Soviet side all bilateral cargo imported into or exported from the territory of the USSR where a commercial body or other authority or entity of the USSR has or could have the power at any time to designate the carrier.

d. "Accountable liner share" means the U.S. dollar freight value of liner carryings of controlled cargo by vessels under the flag of each Party, computed for accounting purposes using the conference rates in effect at the time of carriage or, in the

absence of such rates, using other rates to be agreed between the two Parties.

e. "Accountable charter share" means the U.S. dollar freight value of carryings under contracts or arrangements covering the carriage of controlled cargo by vessels under the flag of each Party, which are not in liner service, computed for accounting purposes at rates to be agreed between the Parties. Accountable charter share will not include movements of any bulk cargoes in shipload lots of 8,000 long tons or more from the Union of Soviet Socialist Republics to the United States that are carried by the national flag vessels of either Party provided the conditions stated in subparagraph b of paragraph 3 of this Annex have been complied with.

f. "Accounting period" means a calendar year or any portion of an incomplete calendar year during which this Agreement is in effect.

2. GENERAL OPERATING RULES

a. Each Party undertakes to ensure that its controlled cargo is directed in a manner which

(i) provides to vessels under the flag of the other Party an accountable liner share and an accountable charter share equal in each category to those of vessels under its flag, and which continually maintains parity during each accounting period, and

(ii) is consistent with the intention of the Parties that their national flag vessels will each carry not less than one-third of bilateral cargoes.

b. To the extent that bilateral cargo that is not controlled cargo is carried in a manner which does not maintain parity between national flag vessels, computed in accordance with the principles specified in subparagraphs d and e of paragraph 1 of this Annex, the excess of such carriage will be added to the accountable liner share or accountable charter share, as the case may be, of the overcarrier and will be offset to the extent possible by an entitlement of a compensating share of controlled cargo in the appropriate category to the undercarrier.

c. Whenever vessels under the flag of one Party are not available to carry controlled cargo offered for carriage between ports served by such vessels with reasonable notice and upon reasonable terms and conditions of carriage, the offering Party shall be free to direct such cargo to its national flag or to third flag vessels. Cargo so directed to the offering Party's national flag vessels will not be included in its accountable liner share or accountable charter share for purposes of subparagraph a(i) of paragraph 2 of this Annex, if the designated representative of the other Party certifies that its national flag vessels were in fact unavailable at the time of the offer.

d. Cargo not carried in the vessels of a Party

because of nonavailability of a vessel shall nonetheless be included in bilateral cargo for purposes of subparagraph a(ii) of paragraph 2 of this Annex, and controlled cargo shall continue to be directed to meet the undertakings of said subparagraph. To the extent that deficiencies in meeting the undertakings in such subparagraph exist at the end of an accounting period because of unavailability of vessels of a Party which the representative of that Party has certified were unavailable as provided above in subparagraph c of paragraph 2, the other Party shall not be required to make up such deficiency in the following accounting period.

e. To the extent consistent with the foregoing provisions of this paragraph 2, each Party is free to utilize the services of third flag shipping for the carriage of controlled cargo.

3. SPECIAL BULK CARGO RULES

a. When controlled bulk cargo is carried from the United States to the Union of Soviet Socialist Republics by U.S.-flag vessels, such cargo shall be carried at a mutually acceptable rate, provided that this shall not prevent the offering and fixing of a lower rate if such lower rate is accepted by a U.S.-flag carrier at the time of offering.

b. It is recognized that movements of any bulk cargoes in shipload lots of 8,000 long tons or more from the Union of Soviet Socialist Republics to the United States shall be carried at the then current market rates. In furtherance of this objective, an equivalent quantity of such controlled cargoes as are offered to Soviet-flag vessels will be offered to U.S.-flag vessels at the current charter market rate and with reasonable notice. Any offerings of such cargoes that are not accepted by U.S.-flag vessels may be carried by Soviet-flag vessels or other vessels.

4. IMPLEMENTATION

a. Each Party shall designate a representative for implementation of the principles and rules of this Annex, the representative of the United States being the Maritime Administration, Department of Commerce, and the representative of the Union of Soviet Socialist Republics being the Ministry of Merchant Marine. Each Party shall authorize its representative to take action under its laws and procedures, and in consultation with the designated representative of the other Party, to implement this Annex as well as to remedy any departures from the agreed operating rules.

b. The Parties further agree that the designated representatives shall:

(i) meet annually for a comprehensive review of the movement of bilateral cargo and for such other purposes related to the Agreement as may be desirable;

(ii) engage in such consultations, exchange such information and take such action as may be necessary to insure effective operation of this Annex and the Agreement of which this Annex is a part;

(iii) make mutually satisfactory arrangements or adjustments, including adjustments between accounting shares and accounting periods, to carry out at all times the objectives of this Annex and the Agreement of which this Annex is a part. Any departures from such objectives shall be accommodated on a calendar quarterly basis to the extent possible and in no event shall departures be permitted to continue beyond the first three months of the next accounting period; and

(iv) resolve any other problems in the implementation of this Annex and the Agreement of which this Annex is a part.

5. COMMERCIAL ARRANGEMENTS

a. The Parties recognize that, pursuant to their respective laws or policies, carriers under their flags may enter into commercial arrangements for the service and stabilization of the trade between them which shall not unduly prejudice the rights of third-flag carriers to compete for the carriage of controlled cargo between the territories of the Parties.

b. Such commercial arrangements shall not relieve the Parties of their obligations under this Annex and the Agreement of which this Annex is a part.

Texts of Related U.S. Letters

*Letter Relating to Article 1(a) and Research Vessels*²

WASHINGTON, October 14, 1972.

DEAR MR. MINISTER: With reference to the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics, signed today, concerning certain maritime matters, I wish by this letter to inform the Government of the Union of Soviet Socialist Republics of the following clarifications and interpretations of statements contained in such Agreement.

The phrase in paragraph a of Article 1 "registered in the territory of that Party" shall include unregistered vessels which are numbered under the laws of a state or political subdivision of the United States.

The phrase in paragraph a of Article 1 "an unregistered vessel belonging to the Government of such Party" refers to certain vessels which belong to

² The enclosure to the U.S. letter and Minister Guzhenko's letter of confirmation enclosing a current list of major Soviet oceanographic, hydrographic, meteorological, and magnetic field research vessels are not printed here.

the Government of the United States and which are not registered vessels.

I am appending a current list of major United States oceanographic, hydrographic, meteorological and magnetic field research vessels referred to in subparagraph a(iii) of Article 1 of the Agreement mentioned above.

Very truly yours,

PETER G. PETERSON,
Secretary of Commerce.

Enclosure:

Current list of major United States oceanographic, hydrographic, meteorological and magnetic field research vessels.

His Excellency TIMOFEY B. GUZHENKO,
Minister of Merchant Marine of the Union of Soviet Socialist Republics.

Letter on Mutually Acceptable Rates

WASHINGTON, October 14, 1972.

DEAR MR. MINISTER: In connection with the signing today of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics concerning certain maritime matters, I have the honor to confirm the understandings set forth in your letter of even date that:³

1. Under sub-paragraph a of paragraph 3 of Annex III of that Agreement, the term "mutually acceptable rate" means a rate equal to the average of the market charter rates for the three calendar years preceding the current accounting period for the relevant route and category of cargo. It is understood that such average market charter rate will apply irrespective of the current conditions of the freight market and may be higher or lower than the current market level. Market charter rates will be determined from published sources acceptable to both Parties. Where such published market charter rates do not exist for a relevant route or category of cargo, agreed adjustments will be made to published market charter rates for the most comparable route or category of cargo.

2. The provisions of the foregoing paragraph shall not apply to rates for shipments of raw or processed agricultural commodities. Under subparagraph a of paragraph 3 of Annex III of that Agreement the term "mutually acceptable rate" as applied to shipments of raw and processed agricultural commodities means:

a. With respect to fixtures made prior to July 1, 1973 the higher of: (i) a rate for the cargo and route involved computed upon the formula of the average of market charter rates set forth in paragraph 1 of this letter for the years 1969, 1970 and

³ Not printed here.

1971; or (ii) the current market charter rate for such cargo and route plus ten percent (10%) of such rate. Current market charter rates referred to above will be determined at the time of each fixture from current sources acceptable to both Parties. Where such market charter rates do not exist for a relevant route or category of cargo, agreed adjustments will be made to current market charter rates for the most comparable route and category of cargo.

b. With respect to fixtures made after June 30, 1973, rates based upon such amounts or formulas as the Parties may hereafter agree upon, and for that purpose the United States Maritime Administration and the Ministry of Merchant Marine of the Soviet Union shall convene prior to June 30, 1973 to discuss and reach agreement upon such rates.

Very truly yours,

PETER G. PETERSON,
Secretary of Commerce.

His Excellency TIMOFEY B. GUZHENKO,
Minister of Merchant Marine of the Union of Soviet Socialist Republics.

Letter on Rates and Terms

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, D.C., October 14, 1972.

Honorable N. ZUEV,
President, SOVFRACHT,
Moscow.

DEAR MR. ZUEV: This will acknowledge receipt of your letter of today transmitting a copy of the letter which you informed me SOVFRACHT proposes to transmit to its chartering agents and which sets forth the charter party terms which we have agreed upon for fixtures made for the carriage of raw and processed agricultural commodities by American flag bulk cargo vessels under the Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding Certain Maritime Matters executed today.⁴

Also enclosed with your letter was the schedule of rates we have agreed upon for practical purposes to be used under that Agreement in place of a precise calculation of the three year average rate for 1969, 1970 and 1971 for the carriage of specified categories of raw and processed agricultural commodities by American flag bulk cargo vessels on the routes specified, for fixtures made prior to July 1, 1973.

You also confirmed in your letter that with respect to Item 5 of the charter party terms, relating to cargo insurance, you will enter into discussions with officials of INGOSSTRAKH for the purpose of di-

recting the placement of a portion of the marine cargo insurance coverage for shipments of raw and processed agricultural commodities with United States underwriters.

I am pleased to confirm that your letter and the enclosures reflect our agreement and understanding.

Very truly yours,

ROBERT J. BLACKWELL,
Assistant Secretary for Maritime Affairs.

*Letter on Agricultural Cargo Shares*⁵

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, D.C., October 14, 1972.

Mr. IGOR AVERIN,
Director of Department of Foreign Relations of the Ministry of the Merchant Marine, Union of Soviet Socialist Republics, Moscow.

DEAR MR. AVERIN: This is to confirm our mutual agreement on the understanding that the total of all agricultural cargoes fixed or shipped on and after July 1, 1972, from the United States to the Soviet Union will be included in determining the Soviet and U.S. shares under Article 7 and Annex III of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics regarding certain maritime matters.

Sincerely,

ROBERT J. BLACKWELL,
Assistant Secretary for Maritime Affairs.

Letter on Grain Vacuators

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, D.C., October 14, 1972.

Honorable N. ZUEV,
President, SOVFRACHT,
Moscow.

DEAR MR. ZUEV: This letter will serve to confirm to you our understanding that the Maritime Administration, U.S. Department of Commerce, will use its good offices and influence with U.S. shipowners in assisting the Soviet Union in procuring vacuators for grain discharging operations.

Additionally, we confirm our understanding that tankers can only be discharged by vacuators and that in order to fulfill the terms agreed upon it will be necessary either for receivers to purchase vacuators directly or for tanker owners and/or the receivers to come to some arrangement for providing a means of discharge.

Sincerely,

ROBERT J. BLACKWELL,
Assistant Secretary for Maritime Affairs.

⁴ Mr. Zuev's letter and its enclosures are not printed here.

⁵ Mr. Averin's letter of confirmation is not printed here.

Letter on Carriage of Liquefied Natural Gas ⁶

WASHINGTON, October 14, 1972.

DEAR MR. MINISTER: With reference to the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics, signed today, concerning certain maritime matters, I have the honor to confirm the understanding reached between us that the provisions of Articles 7 and 8 of the Agreement and the provisions of Annex III thereof are not intended to apply to the carriage of liquefied natural gas (LNG) from the Union of Soviet Socialist Republics to the United States. Arrangements for such carriage will be negotiated in connection with the development of projects for the sale of LNG for use in the United States.

Very truly yours,

PETER G. PETERSON,
Secretary of Commerce.

His Excellency TIMOFEY B. GUZHENKO,
Minister of Merchant Marine of the Union of Soviet Socialist Republics.

Letter Relating to Port Procedures and Other Matters

WASHINGTON, October 14, 1972.

DEAR MR. MINISTER: In connection with the Agreement signed today between the Government of the United States and the Government of the Union of Soviet Socialist Republics concerning certain maritime matters, we have agreed that we would exchange information describing our port procedures and other matters. Accordingly, enclosed is a Memorandum on U.S. Port Procedures and Other Matters.⁷

This letter will also acknowledge receipt from you of your Memorandum on U.S.S.R. Port Procedures and Other Matters together with covering letter signed by you.

Very truly yours,

PETER G. PETERSON,
Secretary of Commerce.

Enclosure:

Memorandum on U.S. Port
Procedures and Other Matters.

His Excellency TIMOFEY B. GUZHENKO,
Minister of Merchant Marine of the Union of Soviet Socialist Republics.

⁶ Minister Guzhenko's letter of confirmation is not printed here.

⁷ The enclosure to the U.S. letter and Minister Guzhenko's letter enclosing a memorandum on U.S.S.R. port procedures and other matters are not printed here.

Current Actions

MULTILATERAL

Aviation

Convention on offenses and certain other acts committed on board aircraft. Done at Tokyo September 14, 1963. Entered into force December 4, 1969. TIAS 6768.

Accessions deposited: Costa Rica, October 24, 1972; Laos, October 23, 1972.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971.¹

Signature: Austria, November 13, 1972.

Customs

Customs convention on the temporary importation of professional equipment, and annexes A, B, and C. Done at Brussels June 8, 1961. Entered into force July 1, 1962; for the United States March 3, 1969. TIAS 6630.

Accession deposited: Algeria, September 5, 1972.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna April 18, 1961. Entered into force April 24, 1964.

Ratification deposited: United States, November 13, 1972.

Enters into force for the United States: December 13, 1972.

Optional protocol to the Vienna convention on diplomatic relations concerning the compulsory settlement of disputes. Done at Vienna April 18, 1961. Entered into force April 24, 1964.

Ratification deposited: United States, November 13, 1972.

Enters into force for the United States: December 13, 1972.

Disputes

Convention on the settlement of investment disputes between states and nationals of other states. Done at Washington March 18, 1965. Entered into force October 14, 1966. TIAS 6090.

Ratification deposited: Jordan, October 30, 1972.

Narcotic Drugs

Protocol amending the single convention on narcotic drugs, 1961. Done at Geneva March 25, 1972.¹

Ratifications deposited: Panama, October 19, 1972; United States, November 1, 1972.

Signature: Paraguay, October 18, 1972.

Oil Pollution

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London October 12, 1971.¹

Acceptance deposited: Sweden, October 26, 1972.

¹ Not in force.

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London October 15, 1971.¹

Acceptance deposited: Sweden, October 26, 1972.

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London October 21, 1969.¹

Acceptance deposited: Sweden, October 26, 1972.

Phonograms

Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms. Done at Geneva October 29, 1971.¹

Signatures: Austria, April 28, 1972; Finland, Japan, April 21, 1972; Kenya, April 4, 1972; Liechtenstein, Norway, Panama, April 28, 1972; Philippines, April 29, 1972.

Accession deposited: Fiji, June 12, 1972.

Ratification deposited: France, September 12, 1972.

Postal Matters

Constitution of the Universal Postal Union with final protocol, general regulations with final protocol, and convention with final protocol and regulations of execution. Done at Vienna July 10, 1964. Entered into force January 1, 1966. TIAS 5881.

Ratification deposited: Chile, September 20, 1972.

Additional protocol to the constitution of the Universal Postal Union with final protocol signed at Vienna July 10, 1964 (TIAS 5881), general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971, except for article V of the additional protocol, which entered into force January 1, 1971. TIAS 7150.

Ratifications deposited: Chile, September 20, 1972;

Cyprus, September 28, 1972; Pakistan, October 10, 1972.

Money orders and postal travellers' cheques agreement, with detailed regulations and forms. Signed at Tokyo November 14, 1969. Entered into force July 1, 1971; for the United States December 31, 1971. TIAS 7236.

Ratification deposited: Chile, September 20, 1972.

Safety at Sea

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London November 30, 1966.¹

Acceptance deposited: Argentina, October 26, 1972.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London October 25, 1967.¹

Acceptance deposited: Argentina, October 26, 1972.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London November 26, 1968.¹

Acceptance deposited: Argentina, October 26, 1972.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London October 21, 1969.¹

Acceptance deposited: Argentina, October 26, 1972.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annexes. Done at Washington August 20, 1971.¹

Ratifications deposited: Ethiopia, November 13, 1972; Thailand, November 16, 1972.

Seabed Disarmament

Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the seabed and the ocean floor and in the subsoil thereof. Done at Washington, London, and Moscow February 11, 1971. Entered into force May 18, 1972. TIAS 7337.

Ratification deposited: Botswana, November 10, 1972.

Tonnage Measurement

International convention on tonnage measurement of ships, 1969, with annexes. Done at London June 23, 1969.¹

Acceptance deposited: Spain, November 6, 1972.

Wheat

International wheat agreement, 1971. Open for signature at Washington March 29 through May 3, 1971. Entered into force June 18, 1971, with respect to certain provisions, July 1, 1971, with respect to other provisions; for the United States July 24, 1971. TIAS 7144.

Ratification to the Wheat Trade Convention deposited: Spain, November 17, 1972.

BILATERAL

Republic of China

Agreement amending the agreement of December 30, 1971, relating to trade in wool and man-made fiber textile products. Effected by exchange of notes at Washington September 20, 1972. Entered into force September 20, 1972.

Agreement amending the agreement of December 30, 1971, as amended, relating to trade in wool and man-made fiber textile products. Effected by exchange of notes at Washington November 16, 1972. Entered into force November 16, 1972.

Colombia

Agreement relating to the deposit of 10 percent of the value of grants of military assistance and excess defense articles given by the United States, with related aide memoire. Effected by exchange of notes at Bogotá August 25, 1972. Entered into force August 25, 1972; effective February 7, 1972.

¹ Not in force.

Khmer Republic

Memorandum of understanding for airfield upgrading at Ream, Pochentong, and Battambang. Signed at Phnom Penh August 12, 1972. Entered into force August 12, 1972.

Korea

Agreement amending the agreement of December 30, 1971 (TIAS 7250), relating to trade in cotton textiles. Effected by exchange of notes at Washington September 15, 1972. Entered into force September 15, 1972.

Agreement supplementing the agreement of January 4, 1972, relating to trade in wool and man-made fiber textile products. Effected by exchange of notes at Washington September 20, 1972. Entered into force September 20, 1972.

Agreement amending the agreement for sales of agricultural commodities of February 14, 1972 (TIAS 7273). Effected by exchange of notes at Seoul October 20, 1972. Entered into force October 20, 1972.

Pakistan

Agreement amending the agreement for sales of agricultural commodities of September 21, 1972 (TIAS 7466). Effected by exchange of notes at Islamabad October 12, 1972. Entered into force October 12, 1972.

Singapore

Agreement amending the agreement of May 5, 1972 (TIAS 7327), regarding an offshore sales facility for property disposal. Signed at Singapore October 20, 1972. Entered into force October 20, 1972.

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284	11/16	Porter: 167th plenary session on Viet-Nam at Paris.
†285	11/17	Volume V of "Foreign Relations" series for 1947 released.
†286	11/17	Volume 10 of Bevans treaty series released.

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THE
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Vol. LXVII, No. 1746



December 11, 1972

CONTRACTING PARTIES TO GATT REACH AGREEMENT
ON FUTURE TRADE NEGOTIATIONS

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THE DEPARTMENT OF STATE BULLETIN

Vol. LXVII, No. 1746

December 11, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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Contracting Parties to GATT Reach Agreement on Future Trade Negotiations

The 28th session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) was held at Geneva November 1-14. Following is a statement made before the Contracting Parties on November 10 by William D. Eberle, President Nixon's Special Representative for Trade Negotiations and head of the U.S. delegation, together with excerpts from the summary statement of the Chairman of the Contracting Parties.

Office of the Special Representative for Trade Negotiations
press release 170 dated November 10

Since the last meeting of the Contracting Parties there have been a number of significant developments which have changed the course of international economic relations. The scene has been set for negotiation of major improvements in the international trade and monetary systems.

The growing economic interdependence of the world has brought us all closer together, but at the same time it has intensified the difficulties resulting from the conflicts between our respective national economic policies. The international institutions, rules, and procedures have not adapted rapidly enough to keep pace. Faced with internal difficulties and with international mechanisms which did not provide adequate means of economic adjustment, nations have frequently been forced to take actions which created conflicts with the policies of other governments and which disturbed the economic interests of other countries. The consequent economic confrontations have put increasing stress on relations between nations generally.

The new circumstances which have evolved in the last year or so provide for us all the

opportunity to move from a period of confrontation to an era of negotiation. It is imperative that governments develop the political will to seize this opportunity and to commit themselves to negotiations in a spirit of good will and cooperation.

The historic meeting of the Group of Ten at the Smithsonian Institution in December 1971 was but the first in a series of steps leading us to a new era of negotiation and reform. An essential catalyst was recognition of the need for a cooperative effort, by developed and developing countries alike, to steer the future of reform. The concept of a new Committee of Twenty was born. By the time of the September 1972 meeting of the IMF and the IBRD [International Monetary Fund; International Bank for Reconstruction and Development], it was possible to envisage not only broad terms of reference but a full program of work for the new Committee of Twenty. The Committee and its Deputies now have their work underway.

But the countries most actively engaged in negotiation of a solution to the international monetary problems in late 1971 did not stop there. They also entered into mutual commitments to embark in 1973 on multilateral trade negotiations, involving as many countries as possible, aiming at further liberalization of trade.

Thus, as part of the broader effort to achieve basic reforms in the international economic system, it was recognized that the time had also come for fundamental improvements in international trade relations.

The commitments between the United States and Japan and the European Community were discussed in the GATT Council in

the spring of 1972. Since then, various countries have expressed their views on the need for trade negotiations and their own perspectives on what should be done. Many countries, both developed and developing, did so at the third UNCTAD conference [United Nations Conference on Trade and Development] at Santiago. President Nixon and Prime Minister Tanaka jointly reaffirmed the intention to press ahead in 1973. The most recent development was the statement on trade made by the leaders of the enlarged European Community (EC) in the communique of their October summit conference. They stated that:

With regard to the industrial countries, the Community is determined, in order to ensure the harmonious development of world trade:

—To contribute, while respecting what has been achieved by the Community, to a progressive liberalisation of international trade by measures based on reciprocity and relating to both tariffs and nontariff barriers;

—To maintain a constructive dialogue with the United States, Japan, Canada and its other industrialized trade partners in a forthcoming spirit, using the most appropriate methods.

In this context the Community attaches major importance to the multilateral negotiations in the context of G.A.T.T. in which it will participate in accordance with its earlier statement.

To this end, the Community institutions are invited to decide not later than 1st July, 1973 on a global approach covering all aspects affecting trade.

The Community hopes that an effort on the part of all partners will allow these negotiations to be completed in 1975.

With regard to the European summit communique, President Nixon issued the following statement on October 27: ¹

... I particularly welcome the Community's declared intent to maintain a constructive, forthcoming dialogue with us and its commitment to a progressive liberalization of tariff and nontariff barriers to trade on a comprehensive basis during the major multilateral negotiations to begin next year.

On behalf of the United States, I wish to reaffirm our commitment to work with the members of the European Community for reform of the international economic system in a way which will bring about a new freedom of world trade, new equity in international economic conduct, and effective solutions to the problems of the developing world.

These are the objectives with which the United

States will approach forthcoming negotiations on monetary and trade reform. We will be prepared to take bold action with our European partners for a more equitable and open world economic order. . . .

The new mood of cooperation and the common recognition of the need to negotiate improvements in our economic relationships are not, of course, shared everywhere. There are, I am afraid, in each of our nations those who wish to insulate their economies from outside forces or those who wish to return to the concepts of mercantilism in national policy. As governments, we cannot afford to accept such ideas. We have already become so economically interdependent that any turning back would necessarily result in reversal of the economic gains the world has achieved in recent years. Moreover, protectionist measures often cause serious damage to other countries and generate political conflict.

International Adjustments Between Economies

The problem we must face is that the international economic system today does not prevent or adequately control politically divisive economic practices. Because the international balance of payments adjustment process does not function very well, pressures build up in particular sectors of industry or agriculture. The existing rules and procedural mechanisms for dealing with adjustment difficulties in specific sectors are not adequate, and governments are consequently encouraged to take unilateral actions to offset external forces.

This does not mean that we must give up our national objectives and our internal freedom to manage policy in relation to our own internal social and political considerations. We must, however, rule out predatory economic nationalism.

If we create a more effective, more liberalized international economic system which allows flexible, responsive adjustment by individual nations to changes between their internal and external circumstances, nations will be freer than they are now to pursue ap-

¹ BULLETIN of Nov. 20, 1972, p. 608.

propriate internal economic policies. If provisions for appropriate international balance of payments adjustments are built into the system, necessary domestic policies can be pursued with even greater vigor than in the past. There will then be less likelihood that actions needed for internal reasons will place heavy burdens of adjustment on other nations.

Secretary Shultz, in his statement to the IMF-IBRD annual meeting in September, put the task in these words: ²

The nations gathered here have it in their power to strike a new balance in international economic affairs.

The new balance of which I speak does not confine itself to the concepts of a balance of trade or a balance of payments. The world needs a new balance between flexibility and stability in its basic approach to doing business. The world needs a new balance between a unity of purpose and a diversity of execution that will permit nations to cooperate closely without losing their individuality or sovereignty.

To strike this new balance, we must improve the whole international economic system, including the monetary, investment, trade, and other elements of it. It is not a matter of the processes of detailed monetary and trade negotiations being locked together procedurally at every step. What is crucial is that the system as a whole be seen and dealt with as a coherent whole and that all elements of it be adapted to the needs of the 1970's and 1980's.

International adjustments take place on a variety of levels between economies, sometimes affecting business conditions generally and at other times more specifically. They frequently occur in some sectors but not others. Adjustments can, in other words, take place in an overall manner, as when an exchange rate change shifts the position of a whole economy relative to the rest of the world. Sometimes governments prefer to limit adjustments to specific problems or areas. They may prefer to focus actions in the trade field for a time by imposing special

measures to affect the trade account as a whole. Finally, governments frequently take special actions to assist or alter the circumstances of particular industries or regions. This is done through tax policies, regional development aids, trade restrictions, export subsidies, and other similar measures. These actions distort the conditions of trade.

The interrelationship between general and specific actions has frequently been unrecognized or ignored. In such cases, one type of action may thwart the purpose of other types of actions. This is an important aspect of what we mean by the interdependence of monetary and trading rules and the need for consistency in the two areas.

Goals of Multilateral Trade Negotiations

Turning to trade itself, my government is now preparing intensively for multilateral trade negotiations. We envisage such negotiations as covering all aspects of trade relations.

The GATT has made its most important contribution to trade liberalization in the area of tariffs. Clearly the importance of tariffs has greatly diminished over the last quarter century, relative to other impediments to trade and to trade-distorting policies. But we must not underestimate the importance of tariffs either, particularly in light of the effective levels of protection which they provide. Given the very significant progress in tariff reduction already made, the time may soon be at hand when we can seriously contemplate possible programs for their phased elimination.

In the field of nontariff barriers and other trade-distorting policies, we believe that every effort should be made to eliminate these sources of distortion and friction in trade relations. Where the problem is one of differing or conflicting national policies and practices but elimination of controls is not consistent with social objectives, we believe that there should be developed common commitments to common rules and procedures. This would at least reduce or eliminate the possibilities for using nontariff measures to favor one group

² For a statement by Secretary of the Treasury George P. Shultz made before the Boards of Governors of the IMF and IBRD on Sept. 26, see *BULLETIN* of Oct. 23, 1972, p. 460.

over another or one nation over another. It would make us all subject to some harmonized concepts of what is right and what is wrong.

In this spirit, achievement of a more liberal world order for trade, together with common commitments to agreed rules and procedures, will lead us to what President Nixon has called a freer but fairer system.

We believe that it is essential to provide for a substantial expansion of world trade in agriculture and to bring under international discipline the various national instruments of agricultural policy which result in major forms of distortion and disruption. The need for reform in this field is great. Negotiations over the years have failed to bring about significant liberalization. The GATT rules are inadequate, and where they exist governments have often ignored them or found ways around them.

If I may give special emphasis to agriculture, it is because we believe that this area presents one of the clearest examples of the dangers of trade practices which are not governed by agreed rules. Developed and developing nations alike have a fundamental interest in building and preserving the strength of their farm sectors, but this should not be done in ways which burden farmers in other countries nor in ways which thwart pursuit of greater efficiency in world production in the long run.

We shall also need to find a means of bringing into some kind of harmony the various national safeguard actions which are taken to moderate trade flows for limited periods of time. We believe that a new multilateral safeguard system should be developed which would provide common procedures for all countries taking special actions to moderate the pace of domestic adjustment resulting from abrupt changes in the conditions of trade. This would, on the one hand, allow nations to implement special safeguard actions in particular cases where the external pressures cause significant domestic adjustment difficulties and, on the other hand, insure that nations adversely affected by such actions be treated equitably and that the special meas-

ures be subject to agreed rules and timetables. It would give opportunity and incentive to insure that such actions be aimed at longrun adjustment to changing world market circumstances. A multilateral safeguard system, if well constructed, should make the process of global trade liberalization easier to contemplate, while at the same time reducing the uncertainties of market access conditions which exporters may face in certain product areas.

Finally, we believe that those countries which have maintained internal discrimination against foreign products and old forms of protection appropriate to the circumstances of another era should now be willing to change substantially their policies and join in common commitments with us.

Revitalization of the GATT

In contemplating liberalization and the development of new rules and procedures, we believe that the GATT, as an institution and as a set of rules and procedures, remains valuable. Nonetheless, the time has come to reinforce the strengths of the GATT and repair its weaknesses. It must be recognized that major changes have taken place since the GATT was first drafted. Moreover, changes have occurred in the GATT as a result of day-to-day decisions and especially of failure to make decisions. Practice becomes the rule if repeated widely enough and if contracting parties are unwilling to take a stand on the issues involved.

We believe that the international trading system can no longer afford to have major provisions of the agreement honored largely in the breach. It is therefore urgent and essential to revitalize the day-to-day business of the GATT by using its procedures with a view to concrete decisions. Where, for example, the United States has had a longstanding import restriction inconsistent with the GATT applied against its trade, we are now moving to bring it forward for discussion with a view to reaching early agreement on a schedule of liberalization or compensation. We believe that effective action on these rou-

tine matters should be taken in the normal course of GATT business without hesitation and without political friction.

There is, as you all well know, growing concern in my country regarding the erosion of the applicability of the MFN [most-favored-nation] principle. The practice of negotiating special arrangements on a discriminatory basis tailored to the specific bilateral problems between two countries or groups of countries, in our view, runs counter to the spirit of the GATT as well as being contrary to the letter of the provisions of article XXIV. Indeed, we feel it is a clear threat to the philosophy of an equitable, "one world" economic system that has been so widely expressed by those directly involved in monetary reform. We share the growing concern that events will propel us into a division of the world into blocs or tight-knit spheres of influence.

Because of the differences of view among countries on the interpretation of the GATT, the GATT has avoided ruling on them. The practice of negotiating special arrangements is now widespread in relation to the European Community. What, then, is the meaning of MFN? Does it only apply selectively to certain countries?

I could go on. The list would include the problems of inadequacy of and lack of adherence to the rules in agriculture, in use of trade measures for balance of payments purposes, in subsidies, and in restrictive safeguard actions. I could list areas where trade is affected by national policies but the rules for dealing with the problems raised are not adequate. Such areas include procurement policy, administrative actions, and internal industrial and regional policies. These problems in one way or another apply to all the contracting parties.

This is not to say that nothing is right any longer. In many respects the general agreement has served us well. GATT procedures and commitments have resulted in the substantial reduction of impediments to trade. They have also provided an important element of stability in commercial policy that has facilitated an enormous expansion of

world trade during the postwar period.

But there have been sweeping changes in the world economy during the past 25 years—and the rules as well as their administration have not kept pace. We need to revitalize the GATT. In our forthcoming negotiations, we should seek further trade liberalization and develop new commitments. If this means improving the rules, as we believe it does, then let us admit that need and address ourselves to it without delay. As a beginning we could look at paragraph 328 of the OECD Rey group report that suggests looking at some specific aspects of the general agreement "to strengthen its effectiveness while adapting it to present-day conditions."³ Obviously, those rules which involve interrelationships between the monetary and trading systems, or which have a significant bearing on the international economic adjustment process, will be discussed in the monetary Committee of Twenty. The issues related to trade as such must, equally obviously, be dealt with here in the GATT.

Preparations for Trade Negotiations

In preparing for trade negotiations, we shall seek the advice of our trading partners, both developed countries and developing countries, in consultations over coming months. We hope they will do the same so that negotiations can be truly said to be a common initiative for the common welfare. In this connection, we will wish to study with care the thinking of the governments of developing countries regarding the role they envisage. Multilateral trade negotiations are crucial to their interests. Trade accounts for some three-fourths to four-fifths of their foreign exchange resources. Means for assisting the developing countries in their negotiating efforts, and procedures for the participation of countries not now members of the GATT,

³ "Policy Perspectives for International Trade and Economic Relations"; report to the Secretary General of the Organization for Economic Cooperation and Development by the High Level Group on Trade and Related Problems, chaired by Jean Rey; OECD, Paris, 1972.

should be worked out carefully in the coming months. Indeed, we anticipate that the problems of developing countries will be an important element of the preparatory discussions which we believe ought to take place.

In the preparation for the negotiations, due account should be taken of differences between the economies of developed and developing countries. The overall framework for the negotiations should assure that the actual results in trade terms improve opportunities for access to developed countries' markets for the exports of developing countries.

My government is aware of the intense interest of developing countries in the generalized system of preferences. We intend to seek legislative authority to extend such preferences. The fact should not be overlooked that even in the absence of preferences the United States accounted for one-half of the imports of manufactures of developed countries from developing countries in the period 1962 to 1969.

We strongly support the establishment of a preparatory committee to define the scope and goal of the 1973 negotiations and to provide policy guidance for the preparatory work of the various committees, CTIP [Committee on Trade in Industrial Products], Agricultural, Trade and Development. We agree with the Swedish suggestion that contracting parties should be represented in the preparatory committee by policy-level officials from capitals.

We must, at this session, give the strongest possible impetus to the work of the preparatory committee. Those in our various capitals who take whatever political, legislative, or procedural decisions may be required also need a suitable international framework for the decision. To these ends, it is of the greatest importance that the Contracting Parties agree now to meet at ministerial level in September 1973 to establish a trade negotiations committee.

We would also like to see the work of the CTIP and Agricultural Committee given new impetus. It should be possible in coming months to prepare as many issues as possible

for agreement in broad outline, even though details might be subject later to final negotiations and political decision. It would be desirable in this context to give special attention to the broad outline of a multilateral safeguard system, on which I have already commented. Agreement on an acceptable multilateral system could facilitate progress on other matters.

In the immediate future, the Contracting Parties must deal promptly, fairly, and effectively with the consequences of the enlargement of the European Community. We believe the Contracting Parties should move expeditiously to complete the examination under article XXIV:5(a) of the relevant legal instruments. We are not happy that the working party charged with the matter has not been able to establish an agreed date and methodology for the examination. My delegation's views on the matter have been stated in the working party and in the discussion we had on the report of the Council. We have held the relevant item open in the hope that the EC and the acceding countries will give us a fuller statement of their views so that we may consider how best to expedite the examination. We welcome the announcement by the spokesman for the European Communities indicating that the article XXIV:6 negotiations can be opened soon. The working party on EC enlargement should follow closely the results of the negotiations, review their progress from time to time, and assist participating countries in eliminating difficulties that may arise. It would have been desirable for these negotiations to have been completed before February 1, 1973, when acceding countries begin to apply provisions of the accession treaty. Without forgoing any of our rights in concessions that may be breached, we realize that the renegotiations cannot be completed by February 1. We believe the negotiations should begin in February and be concluded by the August holidays. Hence, a firm February starting date must be fixed at this time in fairness to all contracting parties who must arrange for personnel to be in Geneva to conduct the negotiations. Concrete results must be achieved.

I conclude by returning to my central theme—the need for early improvement in international trade relations and the importance we place on the forthcoming trade negotiations.

In summarizing the key elements of our position, allow me to remind you of the words of my President in his address to the IMF-IBRD meeting in September.⁴ He said:

We shall press for a more equitable and a more open world of trade. We shall meet competition rather than run away from it.

We shall be a stimulating trading partner, a straightforward bargainer.

We shall not turn inward and isolationist.

But the President also emphasized:

There is another reason, more far-reaching and fundamental, that motivates the United States in pressing for economic and monetary reform.

Working together, we must set in place an economic structure that will help and not hinder the world's historic movement toward peace.

We must make certain that international commerce becomes a source of stability and harmony, rather than a cause of friction and animosity.

Potential conflict must be channeled into cooperative competition. That is why the structure of the international monetary system and the future system of world trade are so central to our concerns today. The time has come for action across the entire front of international economic problems. Recurring monetary crises such as we have experienced all too often in the past decade, unfair currency alignments and trading arrangements which put the workers of one nation at a disadvantage with workers of another nation, great disparities in development that breed resentment, a monetary system that makes no provision for the realities of the present and the needs of the future—all these not only injure our economies; they also create political tensions that subvert the cause of peace.

There must be a thoroughgoing reform of the world monetary system to clear the path for the healthy economic competition of the future.

We must see monetary reform as one part of a total reform of international economic affairs encompassing trade and investment opportunity for all.

We must create a realistic code of economic conduct to guide our mutual relations, a code which allows governments freedom to pursue legitimate domestic objectives but which also gives them good reason to abide by agreed principles of international behavior.

Each nation must exercise the power of its exam-

ple in the realistic and orderly conduct of internal economic affairs so that each nation exports its products and not its problems.

I hope all nations will join with us to meet these challenges expeditiously, for the benefit of all the countries of the world.

EXCERPTS FROM CHAIRMAN'S SUMMARY

Office of the Special Representative for Trade Negotiations
press release 171 dated November 22

The Special Representative for Trade Negotiations called attention on November 22 to an encouraging consensus on future trade negotiations reached at the 28th session of the Contracting Parties to the General Agreement on Tariffs and Trade, which concluded at Geneva on November 14. This major trade meeting resulted in conclusions providing for (a) formally opening early in January 1973 renegotiations of GATT schedules of Denmark, Ireland, and the United Kingdom, with actual renegotiations to begin on March 1, 1973, with a view to their completion in a period of four to five months; (b) reaffirming their intention to initiate and actively support far-reaching multilateral trade negotiations in 1973; (c) establishing a preparatory committee for these negotiations; (d) expressing the hope that these negotiations could be concluded in 1975; and (e) making arrangements for a September 1973 meeting at ministerial level to launch these broad-scale negotiations in the GATT.

The Special Representative for Trade Negotiations cited the following relevant portions of the summary statement made by the Chairman of the Contracting Parties at the conclusion of this historic GATT meeting.

EC Enlargement: Article XXIV:6 Renegotiations

"We have all heard the spokesman for the European Communities state that the enlarged Community was ready to open the renegotiations foreseen in paragraph 6 of Article XXIV as soon as the procedures of ratification of the treaties would have been accomplished. He has also informed us that it was anticipated this would happen before the end of the year and he has proposed, therefore, that the formal opening of the renegotiations might take place at the beginning of January 1973. He also pointed out that between this stage of the formal opening of the renegotiations and the actual detailed renegotiations some time would be required to complete the necessary technical work. In light of this he proposed that the actual renegotiations begin on 1 March 1973 with a view to their completion in a period of four to five months. It is my understanding that these two proposals are agreeable to the parties concerned and I would suggest therefore that this matter be regarded as agreed."

⁴ BULLETIN of Oct. 23, 1972, p. 457.

"A number of contracting parties, accounting for a substantial proportion of world trade, have reaffirmed their intention to initiate and actively support multilateral trade negotiations in 1973 in the framework of GATT, subject to such internal authorization as may be required, covering tariffs, nontariff barriers and other measures which impede or distort trade. They agree that the negotiations shall cover both industrial and agricultural products, including tropical products, and take particular account of the need to find solutions to the problems of developing countries, including the problems of the least developed countries. They also agree to re-examine the adequacy of the multilateral safeguard system. They welcome the participation of other contracting parties, and of developing countries not contracting parties, in the preparatory work for the negotiations and look forward to the participation of these countries in the negotiations. They express the hope that these negotiations could be concluded in 1975.

"The contracting parties recognized the importance of the proposed multilateral negotiations and agreed that the stated objectives of expansion and ever greater liberalization of world trade, and improvement in the standards of living of the people of the world can best be achieved through coordinated efforts to solve in an equitable way the trade problems of both the developed and the developing countries.

"It was also agreed that the multilateral trade negotiations should aim to secure additional benefits for the international trade of the developing countries so as to achieve a substantial increase in their foreign exchange earnings, diversification of their exports, and an acceleration of the rate of growth of their trade, taking into account their development needs.

"Representatives of developing countries, both contracting parties and non-contracting parties, have stated their interest in these trade negotiations and their interest in participating in their preparation, with the technical support of the Secretariat, and expressed the hope that the work on defining principles and guidelines for the negotiations will proceed rapidly so that developing countries can take timely decisions on their participation in the negotiations.

"The contracting parties confirm their will to achieve the necessary conditions, having regard to all the interests concerned, for undertaking new and far-reaching multilateral negotiations in 1973 under the auspices of the GATT. To this end all contracting parties and developing countries not contracting parties have agreed to work together in preparation for the negotiations and, for this purpose, to establish a Preparatory Committee. The Committee will analyze and interpret in common

the essential facts of the situation. It will develop methods and procedures for the negotiations with the full and active support of the three existing committees and in co-ordination with them. Membership in the Committee shall be open to all contracting parties and to developing countries not contracting parties who wish to participate in the preparatory work for the negotiations. The Director-General is requested to convene the first meeting at a date to be set after consultation with delegations.

"On the basis set out above there is also a consensus supporting the convening of a meeting at Ministerial level in September 1973 to consider the report of the Preparatory Committee, to establish a Trade Negotiations Committee and to provide the necessary guidelines for these negotiations. Arrangements for such a meeting will, therefore, be made."

Mutual and Balanced Force Reduction Exploratory Talks Proposed by NATO

Following is the text of a statement issued by the North Atlantic Treaty Organization at Brussels on November 16 and read to news correspondents at Washington that day by Charles W. Bray III, Director, Office of Press Relations.

Recognizing the importance of the question of mutual and balanced force reductions in Central Europe, governments of allied countries which issued the Declaration of Reykjavik agreed to propose that exploratory talks on this matter should be held beginning on 31 January 1973 in a place still to be agreed through diplomatic channels.¹ The Governments of Belgium, Canada, the Federal Republic of Germany, Luxembourg, the Netherlands, the United Kingdom and the United States are communicating this proposal to the Governments of Czechoslovakia, Poland, Hungary and the USSR. The Government of the Federal Republic of Germany is communicating this proposal to the Gov-

¹ For text of a declaration on mutual and balanced force reductions issued at Reykjavik on June 25, 1968, following the ministerial meeting of the North Atlantic Council, see BULLETIN of July 15, 1968, p. 77.

ernment of the German Democratic Republic also.

The Governments of Denmark, Greece, Italy, Norway and Turkey will confirm their intention to be represented at the exploratory talks.

U.S. and U.S.S.R. Begin Second Phase of Strategic Arms Limitation Talks

Phase Two of the U.S.-U.S.S.R. Strategic Arms Limitation Talks (SALT) began at Geneva on November 21. Following are texts of a statement by Gerard Smith, chairman of the U.S. delegation and Director of the Arms Control and Disarmament Agency, made upon arrival at Geneva on November 17 and a letter from President Nixon which Ambassador Smith read at the opening session of the talks on November 21.

AMBASSADOR SMITH'S ARRIVAL STATEMENT

It was just three years ago today that the United States and the Soviet Union began these Strategic Arms Limitation Talks. That may seem like a long time, but arms control is a slow process—slow but immensely rewarding in the benefits which accrue from it. I think it is fair to say that the results of SALT One attest to this fact.

The treaty limiting antiballistic missile systems assures the continued effectiveness of each side's retaliatory deterrent force.¹ It thus reduces the likelihood of a nuclear war. Similarly, it diminishes the incentive for building up ever-increasing stocks of offensive weapons.

The interim agreement on offensive strategic systems also is a matter of great significance; among other things, it puts a ceiling on the accumulation of offensive strategic missiles.²

As you know, however, we have much unfinished business in the realm of strategic offensive weapons. In SALT Two we will en-

deavor to bring strategic offensive weapons under permanent limitation. In addition, we will seek to reduce the levels of strategic arms. All of this will take time. This year, in the session now about to take place, we expect to begin the serious exploratory work which should serve as a foundation for success in SALT Two.

It is our hope that we may arrive at a permanent agreement on offensive systems—which would be the companion piece of the ABM Treaty—well before the five-year life expectancy of the interim agreement.

I hope that we will promptly arrive at a charter establishing the Standing Consultative Commission as provided for in the ABM Treaty.

We look forward to resuming work with our Soviet colleagues on these questions of historical significance for all peoples of the world.

In conclusion, I would like to express our appreciation to the Swiss Government and to the authorities and the people of Geneva for offering us their hospitality for this undertaking.

LETTER FROM PRESIDENT NIXON

White House press release (Camp David, Md.) dated November 21

NOVEMBER 20, 1972.

DEAR MR. AMBASSADOR: Three years ago you and your colleagues embarked on one of the most critical negotiations in our history. At that time there was little assurance that we could find common ground for discussion, let alone agreement on issues that had not been fully faced in the post-war period and that affected the vital security of the United States and the Soviet Union. The successful conclusion of the agreements signed on May 26 was a milestone not only in Soviet-American relations, but in the larger effort to create a more peaceful world.

¹ For text of the treaty, see BULLETIN of June 26, 1972, p. 918.

² For text of the interim agreement, see *ibid.*, p. 920.

These agreements, important as they are, cannot be a cause for complacency. We have taken the first step and the foundation for new agreements has been created. Now you face a task which in many respects is even more complex and more difficult, for both sides will now be obligated to make long term commitments, in a permanent agreement, to a stable strategic relationship for this decade and beyond.

In my letter to you three years ago I observed that no one could foresee the outcome of the negotiations, but I also expressed my conviction that arms control was in the mutual interest of our country and of the Soviet Union.³ We have learned in the last three years that such mutual interests do, in fact, exist. The achievement of the SALT agreements, as well as the Basic Principles governing our relations with the USSR, lead me to believe that your current efforts will meet with new success.⁴

As you and your Soviet colleagues begin a new round of discussions, you have with you the hopes of all the American people—and indeed the hopes of all mankind.

Sincerely,

RICHARD NIXON.

The Honorable GERARD SMITH,
*Director, Arms Control and Disarmament
Agency, Washington, D.C.*

³ For text of the letter, see BULLETIN of Dec. 15, 1969, p. 543.

⁴ For text of the basic principles, see BULLETIN of June 26, 1972, p. 898.

Congressional Documents Relating to Foreign Policy

92d Congress, 2d Session

- Authorizing Appropriations for Fiscal Year 1973 for Military Procurement, Research, and Development, and for Anti-Ballistic Missile Construction; and Prescribing Active Duty and Reserve Strengths. Conference report to accompany H.R. 15495. H. Rept. 92-1388. September 11, 1972. 28 pp.
- Construction of International Bridges. Report to accompany H.R. 15577. S. Rept. 92-1112. September 13, 1972. 5 pp.
- International Agency for Research on Cancer. Report to accompany H.J. Res. 1257. S. Rept. 92-1113. September 13, 1972. 13 pp.
- U.S. Contributions to the Hague Conference on Private International Law and the International (Rome) Institute for the Unification of Private Law. Report to accompany H.R. 11948. S. Rept. 92-1114. September 13, 1972. 17 pp.
- U.S. Participation in International Bureau for Protection of Industrial Property. Report to accompany H.J. Res. 984. S. Rept. 92-1115. September 13, 1972. 13 pp.
- Contributions to the South Pacific Commission. Report to accompany H.J. Res. 1211. S. Rept. 92-1116. September 13, 1972. 13 pp.
- Foreign Assistance and Related Programs Appropriations Bill, 1973. Report to accompany H.R. 16705. H. Rept. 92-1402. September 18, 1972. 45 pp.
- North Pacific Fisheries Act. Report to accompany H.R. 9501. S. Rept. 92-1201. September 22, 1972. 16 pp.
- Prisoners of War and Missing in Action. Report to accompany S. Con. Res. 97. S. Rept. 92-1216. September 25, 1972. 7 pp.
- Importation of Pre-Columbian Sculpture and Murals; Customs Port Security; Judicial Review in Countervailing Duty Cases. Report to accompany H.R. 9463. S. Rept. 92-1221. September 25, 1972. 13 pp.
- The United States and the Persian Gulf. Report of the Subcommittee on the Near East of the House Committee on Foreign Affairs. September 29, 1972. 26 pp.

U.S. Gives Views on U.N. General Assembly Items on Outer Space

Following are statements made in Committee I (Political and Security) of the U.N. General Assembly on October 12 by U.S. Representative George Bush and in plenary on November 9 by U.S. Representative Robert C. Tyson, together with the texts of resolutions adopted by the Assembly on November 9.

STATEMENT BY AMBASSADOR BUSH, COMMITTEE I, OCTOBER 12

USUN press release 120 dated October 12

The committee has acted wisely, we think, in beginning its work at this session by considering the items on the agenda of the General Assembly concerning the peaceful uses of outer space. Outer space provides one of the most fertile fields for international cooperation. We are fellow passengers on a small planet, and mankind has common need of the benefits that such cooperation can yield. I am especially pleased, therefore, to take this opportunity to comment on some of the ways in which cooperation has developed and expanded between the United States and other countries during recent months.

On July 23, 1972, the United States successfully launched the first experimental satellite dedicated to surveying the earth's resources and environment. The objective of this Earth Resources Technology Satellite, which we call ERTS-1, is to determine the usefulness and operating efficiency of satellite systems in acquiring survey data at regular intervals over broad areas of the earth, including deserts, oceans, rain forests, and the Arctic and Antarctic regions, where it

is extremely difficult to acquire such data by conventional means.

Many of you may recall that on September 18, 1969, President Nixon told the General Assembly of the U.S. program to develop earth resources survey satellites and of our determination to make this program—in the President's words, as it “proceeds and fulfills its promise”—an example of U.S. plans to share with other countries the adventures and benefits of space.¹

We are particularly happy that the President's pledge has been confirmed by intense international participation in the ERTS program. Proposals by scientists from 38 foreign countries and two international organizations have been accepted for experiments with ERTS-1 data. These experiments were selected on their scientific merits in competition with other U.S. and foreign investigators. Of the more than 300 proposals accepted, more than one-third are from abroad.

The data being obtained by one of the satellite's imaging experiments, a multispectral scanner, is better than we had hoped. We have placed on the desks of representatives an example of the satellite's scanner imagery taken over the San Francisco Bay area in California from an altitude of 915 kilometers, or about 570 miles. In the composite picture you can see the fog rolling in over San Francisco, sediment in the bay, the city of San Jose, the Sacramento-Feather River system, land use patterns in the Central Valley, and the foothills of the Sierra Nevada mountain range.

¹ For President Nixon's address before the U.N. General Assembly on Sept. 18, 1969, see BULLETIN of Oct. 6, 1969, p. 297.

We are keenly looking forward to receiving reports by the experimenters on their use of the data provided by ERTS-1. Both the satellite imagery and the experimenters' reports will be made publicly available to the international community as soon as possible after their receipt to insure the widest possible consideration and benefit. A set of ERTS-1 data catalogues is available in the office of the U.N. Expert on Space Applications.

Thus, at this stage of the ERTS-1 experiment we have a spacecraft in orbit which is returning earth survey data. The next step is to determine the practical usefulness of these data. For this, we are looking to the experimenters in our own country and abroad. During the coming year we expect that experimenters will be progressing in their analyses and thus contributing to a shared ability to judge the potential of satellite surveys. In an activity of special interest to the U.N. and this committee, the Outer Space Committee's Working Group on Remote Sensing will hold its first substantive session in January 1973, basing its work on relevant results from the ERTS-1 experimental flight.

Apollo and Post-Apollo Space Cooperation

Mr. Chairman, as we near the launch date for the final mission in the U.S. Apollo manned moon-landing program, I want to record our appreciation of the encouragement and support which the program has received from so many other countries. Apollo, too, has been dedicated to international scientific cooperation. To date, 86 principal investigators from 18 foreign countries, plus the European Space Research Organization, have had their proposals accepted for analysis of lunar materials brought to earth by U.S. astronauts. These investigations, together with other international involvement, have added much to what the Apollo program has accomplished in extending man's knowledge about the moon and, indeed, our own planet.

Apollo 16 returned to earth on April 27,

having accomplished all its primary objectives. The second Apollo launching of 1972, Apollo 17, which is scheduled for December 6, will complete the Apollo series. This mission will visit a region of varied topography containing both mountain highlands and lowland valleys. We hope that it will add significantly to our knowledge about lunar materials and their origins.

Apollo 17 will have a completely new international aspect. It gives me particular pleasure to note that the U.S. National Aeronautics and Space Administration—NASA—has invited every member of the United Nations and of the specialized agencies to send a science-oriented young person to visit various scientific facilities in this country and to attend the launching at Cape Kennedy on December 6.

We are now looking beyond Apollo to the next major phase of our space program. Early this year we decided to move forward with development of the space shuttle. This is to be a new type of space vehicle which can fly repeatedly into orbit around the earth and back.

The space shuttle will greatly simplify manned space operations and reduce their cost. It will be reusable for many flights instead of being discarded after one launch as is the case with current launching systems. The capacity of the shuttle will be substantially larger than that of today's spacecraft. Moreover, the shuttle and its crew will be capable of servicing, repairing, and recovering other space vehicles, a most important source of economies both in payload design and operating costs. Finally, many scientists and technicians will be able to travel into space with their experiments without the need for extensive flight training beforehand.

We expect the shuttle, too, to be a vehicle for further advancing international space cooperation. We have invited other countries to participate in developing elements of the shuttle system, and as development proceeds we will keep the international community informed of opportunities in which to take part.

Now I want to call to the attention of this committee a very significant recent event—President Nixon's announcement last Monday, October 9, of an important policy by which the United States will make available to the nations of the world the launch services developed by NASA over the past 15 years.² The United States has decided henceforth to provide these launch services on a reimbursable and nondiscriminatory basis for all satellite projects for peaceful purposes that are consistent with international understandings and arrangements. We think the assured availability to all nations of this capability for launching satellites will be a big step toward realizing the principle enunciated in article I of the Outer Space Treaty of 1967 that:

The exploration and use of outer space, including the moon and other celestial bodies, shall be carried out for the benefit and in the interests of all countries, irrespective of their degree of economic or scientific development, and shall be the province of all mankind.

In addition to these new developments in our post-Apollo program, we are continuing with a wide range of other activities in outer space, including communications, navigation, and exploration of the outer planets. We are undertaking international cooperative arrangements in each of these activities to the greatest extent that the possibilities appear to allow.

I also want to note in particular the U.S.-U.S.S.R. agreement on space cooperation of May 24, under which our two countries will develop compatible rendezvous and docking systems for manned spacecraft and conduct an experimental joint flight in 1975 testing the new systems. If the flight is a success, it will mean a significant gain in the possibility of rescuing astronauts in distress, as well as enabling joint activities in space. Beyond the technical promise of the joint test mission, we hope that work toward the goal of rendezvous and shared flight of astronauts and cosmonauts will make an important contribution to development of mutual confidence not only between the two countries directly involved but throughout the world.

Legal Aspects of U.N. Space-Related Work

Let me turn now, Mr. Chairman, to certain questions involving directly the work of the United Nations in space and space-related fields. I begin with the legal aspects and want at the outset to share our good news that on October 6 the Senate unanimously gave advice and consent to U.S. ratification of the [Outer Space] Liability Convention by a vote of 67 to 0.

Turning to the work of the Outer Space Committee, the United States considers that the committee's Legal Subcommittee session last April and May was quite productive. Much progress was recorded in the negotiations in the subcommittee on a treaty containing detailed rules and procedures to encourage international cooperation in exploring the moon and other celestial bodies. The United States made a basic contribution to this effort by introducing treaty language designed to make cooperation a reality and not a mere paper promise.

A reading of the Legal Subcommittee's report will demonstrate the wide-ranging character of our proposals.³ I will give only a few examples: We proposed that exploring countries should announce 60 days in advance the intended timing, purpose, and character of a mission to the moon or other celestial body; that consideration be given to establishing international scientific preserves in areas of celestial bodies that may have particular ecological or other scientific interest; that countries engaging in celestial body activities should be encouraged to exchange personnel. And if I may refer to a detailed proposal on natural resources, U.S. Working Paper 12/Rev. 1, which we introduced in Geneva on April 17, proposes that the natural resources of the moon and other celestial bodies should be considered to be a part of the common heritage of mankind, that the use of celestial bodies for scientific purposes should continue to be unimpeded, and that states should agree in principle to partici-

² For background, see BULLETIN of Nov. 6, 1972, p. 533.

³ U.N. doc. A/AC.105/101.

pate in a conference to make arrangements for the international sharing of the benefits of the use of celestial body resources at such time as utilization may appear to be practicable.

The Outer Space Committee's report also shows that a number of important issues remain to be resolved through negotiation.⁴ The United States continues to assert that countries exploring celestial bodies should undertake an obligation to notify in advance of launching so that any possible conflict or risk to other countries' space activities can be avoided. We think, too, that states should be willing to agree to our proposals on natural resources of celestial bodies, which we consider to be extremely positive. And we think that the treaty's rules and procedures should apply not only to missions to the moon but, as well, to missions to any planet. The exploration of Venus and Mars has already begun; the exploration of Jupiter is underway. We do not accept that there is any reason why the United Nations should agree to cooperate on lunar missions but undertake missions to other planets in a less cooperative spirit.

At its spring session the Legal Subcommittee gave "equal time" to negotiating another international agreement, a treaty providing for an orderly and obligatory system of registration of vehicles launched into outer space. We appreciate the initiative taken by Canada and France in introducing a joint proposal on this subject, which we were unable to discuss actively due to lack of time. The United States did make clear, however, that our attitude is positive and that we are prepared to consider the desirability of transforming the existing voluntary United Nations registry maintained by the Secretary General in accordance with a 1962 General Assembly resolution into an obligatory system by means of an appropriate international agreement. The United States will be making a considerable effort to prepare for the resumption of considera-

tion of registration questions when the Legal Subcommittee meets on March 26 next year.

Direct Broadcasting From Satellites

Mr. Chairman, I want now to make a few comments concerning the U.S.S.R. proposal concerning direct satellite television broadcasting. This proposal raises serious problems. To put the matter briefly, we are concerned that it would seek to create a restrictive regime over what promises in due course to become an important new means of making information widely and immediately available to the people of the world. For our part, we would welcome a new technological means of giving our people a wider acquaintance with other cultures and societies and of providing news and other functional information. The perspective repeatedly given us by the astronauts who have viewed the earth from afar points up the need for all nations to share as much information as possible, as well as our broader human experiences on our small spaceship earth.

But our enthusiasm should not carry us away. However exciting the prospect of direct broadcasts to home receivers from satellites may be, such broadcasts are not a present reality. Nor are they likely to be for many years because of limiting economic and technical factors.

It may be that the distinction between direct broadcasts to individual home receivers on the one hand, and broadcasts to community receivers on the other, has not been made sufficiently clear. Broadcasting to community receivers, although still in an experimental stage, is considerably farther advanced. The United States, for example, is planning experimental satellite broadcasts in the near future to community receivers in sparsely populated areas of Colorado and Alaska. We also have entered into joint undertakings with the Governments of India and Canada enabling them to conduct similar experimental broadcasts to community receivers in their countries. But we believe that at this time there is no adequate basis

⁴ U.N. doc. A/8720.

for trying to draw up definitive international arrangements to govern satellite community broadcasts—let alone direct broadcasts, which, as I have said, are still so far in the future.

The approach of the Soviet proposal presents difficult problems because it would affect very fundamental principles to which the United States and many other countries attach cardinal importance. I refer to our strong 200-year-old belief in the free exchange of information and ideas. A primary basis for the maintenance of democratic institutions is the continuing application of this principle, which is also, of course, enshrined in the United Nations Charter. As John Stuart Mill wrote in the Essay on Liberty:

... truth has no chance but in proportion as every side of it, every opinion which embodies any fraction of the truth, not only finds advocates, but is so advocated as to be listened to.

And surely truth should be given the chance to be listened to.

We suggest that before the international community tries to establish concrete treaty rules or even guiding principles governing satellite broadcasting, governments will need to reflect on certain basic questions. Among these is the question whether restrictions on freedom of expression can be reconciled with fundamental principles of the Universal Declaration of Human Rights. We need also to ask what types of international arrangements might be reached which would not jeopardize the principle of the free flow of ideas and information and which would, at the same time, reflect a proper respect for national, cultural, ethnic, and religious sensitivities. And we need to consider, in the light of the facts of developing technology, what would be the best way to meet the interest of all countries, developing and developed, in increasing broadcasting capabilities using the most modern means available. These are only a few of the complex and important questions deserving the most careful thought.

I would like to conclude, Mr. Chairman, by returning to my opening theme—the en-

couraging fact of the development and realization of opportunities for international cooperation offered by the exploration and use of outer space. The last 12 months have seen a gratifying expansion of a realistic United Nations role in developing and promoting the shared interests of mankind in this work. I assure you that the United States will continue to strive to make a substantial contribution to this work.

STATEMENT BY MR. TYSON, PLENARY, NOVEMBER 9

USUN press release 130 dated November 9

The United States will vote against draft resolution I as reported out by the Main Political Committee on the agenda item entitled "Preparation of an international convention on principles governing the use by States of artificial earth satellites for direct television broadcasting" (A/8864). I would like to state, if briefly, the reasons that impel the United States to cast a negative vote.

First, the resolution does not sufficiently take note of the positive potential of what we can foresee as the new technology involved in the use of earth satellites for direct television broadcasting. The General Assembly as recently as 1970 at the 25th session wisely drew attention to the fact, and I quote from Resolution 2733A, "that the potential benefits of satellite broadcasting have particular significance with regard to better understanding among peoples, the expansion of the flow of information and the wider dissemination of knowledge in the world, and the promotion of cultural exchanges." Nor does the proposed resolution state the importance of the United Nations seeking to maximize the use of this new technology to further understanding among peoples. On the contrary, the thrust of the resolution is largely negative and speaks of "international conflicts," "aggravation of the relations among States," and protection of "the sovereignty of States from any external interference."

Second, draft resolution I does not put sufficient emphasis on the central importance of the free flow of information and ideas in the modern world. As Ambassador Bush stressed in his statement in the Main Political Committee on October 12, the United States remains profoundly attached to our 200-year-old belief in the unimpeded exchange of information and ideas, as indeed are all those countries around the world who have so long supported this fundamental principle enshrined in the Universal Declaration of Human Rights. Yet the proposed resolution does not mention the Universal Declaration.

Third, the United States recognizes that the new technology of direct broadcast satellites will create challenges for international cooperation in order that in actual practice the sovereignty of states and the unimpeded flow of information and ideas should complement rather than conflict with one another. We have made clear that the United States is prepared, and now, to take part in an appropriate international study of the issues involved in the U.N. Outer Space Committee. But we are not prepared to agree now—in advance of substantive work—that the results of this study should take a particular form. Specifically, we are not ready at this juncture to agree that the goal of the study ought to be either principles or a treaty.

We take good note of the fact that the legislative history of draft resolution I makes clear that the proponents of the critical amendments incorporated in the text do not consider that the resolution requires the Outer Space Committee to develop a treaty. I note especially the statement made by the initial spokesman of the group of seven states, Mr. [Michel] Van Ussel of Belgium, in the First Committee on the 20th of October, and I quote:

With respect to the second amendment dealing with the operative paragraphs, I should merely like to explain that the concern of the sponsors was not to prejudge at this juncture the legal form that a set of principles governing the use by States of earth satellites for direct television broadcasting

should take. I think it is logical that we must first of all work out principles and then, in terms of those principles, take a decision on the international instrument that we should prepare. . . . But in my opinion it is still much too early to take a decision on the need to conclude a single convention.

Parallel statements made on the same day by the Representatives of Canada, Japan, and the United Kingdom are reflected in the records of the First Committee. Nevertheless, since we are not at this time prepared to commit ourselves to a particular formal outcome—be it treaty or principles—the United States is obliged to vote against draft resolution I.

Mr. Chairman, the plenary also has before it a second draft resolution, advanced in the First Committee by Saudi Arabia, the preamble of which recalls some very useful General Assembly work in 1968 on the principle of freedom of information. In particular, the Saudi Arabian text recalls General Assembly Resolution 2448 (XXIII) which affirms “the principle that the primary function of media of information anywhere in the world is to gather and impart freely and responsibly objective and accurate information.” However, since the operative paragraph assumes the “elaboration of international instruments or United Nations arrangements,” we will abstain in the vote on this resolution.

Finally, Mr. Chairman, I want to say a word on the draft resolution on international action for the mitigation of the harmful effects of storms, reported out by the First Committee in document A/8863 and just adopted by the General Assembly. We would like to note in connection with operative paragraph 5 of this resolution that man’s knowledge of the nature of these dangerous and unpredictable storms is still very limited. Accordingly, we think that much research at locations removed from populated areas needs to be continued and, indeed, furthered, before our technology reaches a point where operational activities in the moderation of severe tropical storms become safe and practical.

TEXTS OF RESOLUTIONS

General Assembly Resolution 2914⁵

International action for the mitigation of the harmful effects of storms

The General Assembly,

Aware of the continuing harmful effects of storms and the devastation they cause, particularly to developing countries, whose economies and developmental efforts are thereby seriously impaired,

Concerned over recent calamities inflicted by storms resulting in tremendous losses of life and property in various parts of the world,

Believing that recent advances in science and technology have opened up new avenues towards moderating the effects of these destructive natural forces,

Recalling its resolutions 1721 (XVI) of 20 December 1961, 1802 (XVII) of 14 December 1962 and 2733 D (XXV) of 16 December 1970 and noting the work being undertaken and the progress achieved in response to them,

Taking into account the views expressed in the Committee on the Peaceful Uses of Outer Space at its resumed fifteenth session, held from 5 to 15 September 1972,

Bearing in mind the various recommendations in the field of natural disaster prevention and the measures adopted in General Assembly resolution 2816 (XXVI) of 14 December 1971 with a view to improving the co-ordination and effectiveness of international efforts to deal with natural disasters, and stressing the importance of pre-disaster planning,

Noting the work being carried out by the joint Typhoon Committee of the World Meteorological Organization and the Economic Commission for Asia and the Far East and the large degree of collaboration between the World Meteorological Organization and other national, regional and international organizations in matters relating to tropical cyclones,

1. *Notes with appreciation* the report of the World Meteorological Organization entitled "Tropical cyclone project: plan of action", prepared by its Executive Committee Panel of Experts on Tropical Cyclones in response to General Assembly resolution 2733 D (XXV) of 16 December 1970, in which the Assembly requested the World Meteorological Organization to find ways and means of mitigating the harmful effects of tropical storms;

2. *Endorses* the recommendation of the Committee on the Peaceful Uses of Outer Space that the plan of action should be brought to the attention of Member States;

3. *Requests* the Secretary-General to invite Member States to co-operate to the fullest possible extent with the World Meteorological Organization with a view to achieving the objectives laid down in resolution 2733 D (XXV);

4. *Requests* the World Meteorological Organization to pursue actively the implementation of its tropical cyclone project, continuing and intensifying its other related action programmes, including the World Weather Watch and, especially, the efforts being undertaken towards obtaining basic meteorological data and discovering ways and means to mitigate the harmful effects of tropical storms and to remove or minimize their destructive potential;

5. *Calls upon* the Member States concerned to undertake or intensify research, as well as operational projects, towards this end and requests other Member States to contribute and assist in these projects;

6. *Recommends* integrated action through increased co-operation and co-ordination between the World Meteorological Organization, the United Nations Development Programme, the Office of the Disaster Relief Co-ordinator and the future environmental programmes of the United Nations, particularly with regard to the preparedness for, and the prediction, detection, prevention and control of, natural disasters;

7. *Requests* the World Meteorological Organization to submit a report, through the Secretary-General, to the Committee on the Peaceful Uses of Outer Space at its next session, to the Economic and Social Council and to such other United Nations bodies as may be appropriate on the progress achieved and on the co-operation measures and other steps taken pursuant to the present and other relevant resolutions.

General Assembly Resolution 2915⁶

International co-operation in the peaceful uses of outer space

The General Assembly,

Recalling its resolutions 2776 (XXVI), 2777 (XXVI), 2778 (XXVI) and 2779 (XXVI) of 29 November 1971,

Having considered the report of the Committee on the Peaceful Uses of Outer Space,

Reaffirming the common interest of mankind in furthering the exploration and use of outer space for peaceful purposes,

Recalling its resolution 1721 B (XVI) of 20 December 1961, in which it expressed the belief that the United Nations should provide a focal point for

⁵ Adopted unanimously on Nov. 9.

⁶ Adopted unanimously on Nov. 9.

international co-operation in the peaceful exploration and use of outer space,

Believing that the benefits deriving from space exploration can be extended to States at all stages of economic and scientific development on an expanding basis if Member States conduct their space programmes increasingly with a view to promoting maximum international co-operation, including the widest possible exchange of information in this field,

Convinced of the need for increased international efforts, particularly through the United Nations, to promote and expand practical applications of space technology,

Reaffirming the importance of international co-operation in developing the rule of law in the peaceful exploration and use of outer space,

1. *Endorses* the report of the Committee on the Peaceful Uses of Outer Space;

2. *Invites* States which have not yet become parties to the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies and the Agreement on the Rescue of Astronauts, the Return of Astronauts and the Return of Objects Launched into Outer Space, to give early consideration to ratifying or acceding to those agreements so that they may have the broadest possible effect;

3. *Expresses its satisfaction* at the recent entry into force of the Convention on International Liability for Damage Caused by Space Objects and invites States that have not yet become parties to it to give early consideration to ratifying or acceding to it so that it may have the broadest possible effect;

4. *Notes* that the Legal Sub-Committee of the Committee on the Peaceful Uses of Outer Space has achieved significant progress in approving a substantial part of the draft treaty relating to the Moon, observing at the same time that some issues are still unresolved;

5. *Notes further* that the Legal Sub-Committee has made notable progress in preparing the draft convention on registration of objects launched into outer space, observing at the same time that some issues are still unresolved;

6. *Agrees* that the Legal Sub-Committee should at its next session pursue, as a matter of priority, its work on the draft treaty relating to the Moon and the draft convention on registration of objects launched into outer space;

7. *Notes* that, because of lack of time, the Legal Sub-Committee was not able to consider in any detail the remaining matters on its agenda, as mentioned in paragraph 19 of the report of the Committee on the Peaceful Uses of Outer Space, and expresses the hope that early consideration will be given to those matters;

8. *Welcomes* efforts of Member States to keep

the Committee on the Peaceful Uses of Outer Space fully informed of their space activities and invites all Member States to do so;

9. *Welcomes also* the continuing progress achieved by the Committee on the Peaceful Uses of Outer Space and the Secretary-General, through the Expert on Space Applications, in their efforts to develop the United Nations programme on space applications into a significant means of promoting international co-operation in this field and commends to the attention of Member States, the specialized agencies and interested United Nations bodies the programme contained in the report of the Committee's Scientific and Technical Sub-Committee on the work of its ninth session;

10. *Endorses* the United Nations programme on space applications for 1973 and the guidelines for the programme for 1974 and recommends the continuing development of the programme, taking especially into account the needs of the developing countries;

11. *Notes with appreciation* that several Member States have offered educational and training facilities, under United Nations sponsorship, in the practical application of space technology and draws the attention of Member States, particularly the developing countries, to these opportunities as outlined in paragraphs 28 to 32 of the report of the Scientific and Technical Sub-Committee;

12. *Notes with appreciation* that data from experiments testing the feasibility of remote sensing of the earth from space platforms will soon be made available to the Working Group on Remote Sensing of the Earth by Satellites;

13. *Welcomes* the fact that the Working Group on Remote Sensing of the Earth by Satellites plans to begin its substantive work in January 1973 and notes that the Working Group has requested the Secretary-General to prepare, in accordance with General Assembly resolution 2778 (XXVI) of 29 November 1971, a background paper assessing the documents and other data brought to its attention, including the data referred to in paragraph 12 above, and that it has set up a task force to assist the Secretary-General in this respect;

14. *Looks forward* to a comprehensive progress report on remote sensing to be submitted by the Committee on the Peaceful Uses of Outer Space;

15. *Takes note with gratification* of the consideration being devoted by the Committee on the Peaceful Uses of Outer Space to the potential of satellites and other space platforms in monitoring the human environment with a view to helping to achieve the objectives of the future environmental programmes of the United Nations;

16. *Welcomes* the efforts of a number of Member States to share with other interested Member States the practical benefits that may be derived from programmes in space technology;

17. *Welcomes* the further progress achieved in

international co-operation among Member States in space research and exploration, including in particular the continuing exchange and analysis of lunar material on a broad international basis, experiments in earth resource surveying making use of the United States satellite ERTS-I and the agreement between the Union of Soviet Socialist Republics and the United States of America on the development of compatible rendezvous and docking systems for manned spacecraft with a view to developing joint flight and improved rescue capabilities;

18. *Notes* that the Committee on the Peaceful Uses of Outer Space has recommended that its Working Group on Direct Broadcast Satellites, in view of its interdisciplinary character and its co-ordinating functions, should be reconvened to study the substantive material concerning the subject-matter under its mandate that has become available since the Working Group's last session, in accordance with the relevant paragraphs of the Committee's report;

19. *Reiterates* the importance of the goal of making satellite communications available to States on a world-wide and non-discriminatory basis, as expressed in General Assembly resolution 1721 D (XVI) of 20 December 1961;

20. *Takes note* of the progress achieved in implementing agreements relating to space communications recently concluded among a number of States and reiterates the desirability of keeping the United Nations currently informed concerning activities and developments in this field;

21. *Approves* continuing sponsorship by the United Nations of the Thumba Equatorial Rocket Launching Station in India and the CELPA Mar del Plata Station in Argentina, expresses its satisfaction at the work being carried out at these ranges in relation to the use of sounding rocket facilities for international co-operation and training in the peaceful and scientific exploration of outer space and recommends that Member States should continue to give consideration to the use of those facilities for space research activities;

22. *Welcomes* the announcement by Sweden that the ESRANGE-Kiruna range will also be made available for international co-operative projects;

23. *Notes* that, in accordance with General Assembly resolution 1721 B (XVI) of 20 December 1961, the Secretary-General continues to maintain a public registry of objects launched into orbit or beyond on the basis of information furnished by Member States;

24. *Notes with appreciation* that a number of the specialized agencies, in particular the World Meteorological Organization, the International Telecommunication Union, the United Nations Educational, Scientific and Cultural Organization and the Food and Agriculture Organization of the United Nations, have continued to take an active part in the United Nations programme for the promotion of interna-

tional co-operation in the practical application of space technology, including the organization of technical panels;

25. *Takes note* of the programmes currently undertaken by the United Nations Educational, Scientific and Cultural Organization and the International Telecommunication Union in satellite broadcasting for the purpose of contributing to the advancement of education and training, including consideration by the United Nations Educational, Scientific and Cultural Organization of the draft Declaration of Guiding Principles on the Use of Satellite Broadcasting for the Free Flow of Information, the Spread of Education and Greater Cultural Exchange, and also notes the need to co-ordinate activities of the specialized agencies in this field with the Committee on the Peaceful Uses of Outer Space as set out in General Assembly resolution 2776 (XXVI) of 29 November 1971;

26. *Requests* the specialized agencies and the International Atomic Energy Agency to continue, as appropriate, to provide the Committee on the Peaceful Uses of Outer Space with progress reports on their work relating to the peaceful uses of outer space and to examine and report to the Committee on the particular problems that may arise from the use of outer space in the fields within their competence and that should, in their opinion, be brought to the attention of the Committee;

27. *Notes* that the Committee on the Peaceful Uses of Outer Space has agreed to grant observer status to the European Space Research Organization and the European Launcher Development Organization and to invite them to participate in the Committee's work;

28. *Requests* the Committee on the Peaceful Uses of Outer Space to continue its work, as set out in the present resolution and in previous resolutions of the General Assembly, and to report to the Assembly at its twenty-eighth session.

General Assembly Resolution 2916 ⁷

Preparation of an international convention on principles governing the use by States of artificial earth satellites for direct television broadcasting

The General Assembly,

Recalling its resolution 2222 (XXI) of 19 December 1966, in which it stressed the importance of international co-operation in the field of activities in the peaceful exploration and use of outer space and the importance of developing the rule of law in this new area of human endeavour,

Recalling further its resolution 2453 B (XXIII) of 20 December 1968, in which it stated that the

⁷ Draft resolution I, A/8864, as amended in plenary: adopted by the Assembly on Nov. 9 by a vote of 102 to 1 (U.S.), with 7 abstentions.

benefits of space exploration can be extended to States at all stages of economic and scientific development,

Reaffirming the common interest of all mankind in furthering the peaceful exploration and use of outer space for the benefit of all States and for the development of friendly relations and mutual understanding among them,

Bearing in mind that direct television broadcasting should help to draw the peoples of the world closer together, to widen the exchange of information and cultural values and to enhance the educational level of people in various countries,

Considering at the same time that direct television broadcasting by means of satellites should take place under conditions in which this new form of space technology will serve only the lofty goals of peace and friendship among peoples,

Mindful of the need to prevent the conversion of direct television broadcasting into a source of international conflict and of aggravation of the relations among States and to protect the sovereignty of States from any external interference,

Noting the draft convention on principles governing the use by States of artificial earth satellites for direct television broadcasting, submitted to the General Assembly by the Union of Soviet Socialist Republics,

Desiring to further the elaboration of specific rules of international law governing the activities of States in this field on the basis of the Charter of the United Nations, the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies and the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations,

Believing that the activity of States in the field of direct television broadcasting must be based on the principles of mutual respect for sovereignty, non-interference in domestic affairs, equality, co-operation and mutual benefit,

Considering at the same time that the introduction of direct television broadcasting by means of satellites could raise significant problems connected with the need to ensure the free flow of communications on a basis of strict respect for the sovereign rights of States,

1. *Considers* it necessary to elaborate principles governing the use by States of artificial earth satellites for direct television broadcasting with a view to concluding an international agreement or agreements;

2. *Requests* the Committee on the Peaceful Uses of Outer Space to undertake the elaboration of such principles as soon as possible;

3. *Requests* the Secretary-General to transmit to the Committee on the Peaceful Uses of Outer Space all documentation relating to the discussion, at the twenty-seventh session of the General Assembly, of the item entitled "Preparation of an international convention on principles governing the use by States of artificial earth satellites for direct television broadcasting".

General Assembly Resolution 2917 ⁸

Preparation of international instruments or United Nations arrangements on principles governing the use by States of artificial earth satellites for direct television broadcasting

The General Assembly,

Recalling its resolution 2448 (XXIII) of 19 December 1968, dealing with freedom of information, and the preamble of the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies, which stipulates that General Assembly resolution 110 (II) of 3 November 1947 is applicable to outer space,

Notes that the work done on the draft Convention on Freedom of Information and deliberations thereon in the General Assembly may be useful in the discussion and elaboration of international instruments or United Nations arrangements relative to direct television broadcasts.

U.S. Discusses Problems and Progress in Improving the Status of Women

Following is a statement made in Committee III (Social, Humanitarian and Cultural) of the U.N. General Assembly on November 8 by U.S. Representative Jewel Lafontant.

USUN press release 129 dated November 8

I would like to thank the distinguished representative of the Secretary General [Mrs. Helva Sipila, Assistant Secretary General for Social and Humanitarian Matters] for her introduction to this subject, in which the United States has great interest. American women have been most active on all

⁸ Draft resolution II, A/8864; adopted by the Assembly on Nov. 9 by a vote of 65 to 9 (U.S.S.R.), with 32 abstentions (U.S.).

fronts in the effort to guarantee for themselves an equal place in the society, and the activities of women in the United States on their own behalf are well known. Probably the most crucial areas of government action have been in education, employment rights, and political participation, and I would like to discuss our problems and progress in those areas with you.

In any attempt to improve the status of women primary attention must be given to the problem of equal educational opportunities. Access to a good education for every citizen is a continuing goal of my country, and definite progress has been made in our efforts to improve the quality of education offered to women. Coeducation in the public schools is standard policy, and free education is offered for the first 12 years. At the university level there has been a new trend to make coeducational those institutions which were not previously open to women and thereby to improve the quality of education offered to women. At the present time more than 40 percent of the bachelors degrees awarded are earned by women. Unfortunately the proportion is lower for advanced professional degrees, and in fact, in the last 20 years the number of doctoral degrees awarded to women decreased 2.1 percent.

Even if the legal obstacles to equal education for women have largely been eliminated, there are still special problem areas that demand our attention. One of these areas is that of attitude. Too many parents and teachers hold the outmoded idea that since most girls are expected by the society to marry and become housewives, they have less need for advanced education than their male counterparts. Efforts have been and are being made to bring about the eradication of this erroneous belief and to increase the opportunities for women to acquire an education that will enable them to develop their skills to the highest potential. A second problem area in which we have been making progress is in providing educational opportunities for those who have interrupted their

education for marriage and child rearing and who now seek to either complete their studies or to update their skills before returning to the job market. To meet these special needs an increasing number of universities are offering more flexible programs of continuing education and also special services, such as classes scheduled for the women who must combine study with homemaking or work, financial assistance, and in some cases the provision of child care. These programs are helping us to make real our decision to provide equal education.

In order to improve the status of women, the U.S. Government has mobilized its forces on another front: equal employment opportunities for women and the guarantee of equal pay for equal work. We have moved vigorously against job discrimination on the basis of sex, in both the public and private sectors, as required by title VII of the Civil Rights Act. As a result, the number of women appointed to high-level posts in the Federal Government has more than doubled in the last four years, and more women than ever before have been appointed to Presidential boards and commissions. Our program to recruit more women for all levels of Federal service is being continued and intensified. I must point out that we have found that this effort has not only helped the status of women but also has been most beneficial to our national development.

Partially because of these programs, the entire composition of our work force has been gradually changing. Today women compose 40 percent of all employed persons in the United States. There have been substantial increases in the number of women employed as clerical, professional, and technical workers. Although the average earnings for women are still lower than those for men in similar occupations, part of this difference reflects the greater proportion of women who work part time. It is imperative that we press forward in this field. We have found that as our economy becomes more technologically advanced there are more profes-

sional and managerial positions available for women and also that our economic and social development would be stunted without the active participation of women in the affairs of the Nation.

In the United States women have equal political rights with men, but there continues to be a lower proportion of women in public life. This failure is caused to no small extent by the previous condition of discrimination not only in education but also in employment. The President's Commission on the Status of Women (established December 1961) has reported that the smaller number of women in public life reflects the "low proportion of women prominent in the private occupations that normally lead to political activity and advancement. Few women possess the practical experience obtained at middle and upper levels of administrative and executive responsibility, and they therefore lack the public visibility that goes with such posts and in turn becomes a basis for appointment to public office."

This realization has given an added urgency to our efforts to equalize the educational and employment opportunities for women. It is a question of principle that women in the United States be enabled to take part fully in the public and political life of the Nation.

Some progress in the area of political participation has already been made. Women are as likely as men to feel a strong identification with a political party, and many women have been especially active in helping to select their party's candidates through primary elections or at conventions. Both of our major political parties considered it essential that more women participate in the conventions that selected their presidential candidates and took steps to implement that decision. As a result, the percentage of women participating at both national conventions increased significantly. These women had an effective opportunity to speak for their rights. Women have entered into the mainstream of American politics, and from

all indications are there to stay.

I would like to call your attention to two initiatives of the U.N. that have particular significance for women. The first is the effort to provide family planning. The Commission on the Status of Women has pointed out to the international community the great importance of family planning. Women should have the right, regardless of economic standing, to decide voluntarily how many children they want to have and when they want to have them. The benefits of such a program would be many: a reduction in the emotional problems caused by unwanted pregnancies, the possibility for a family to keep the number of its children at a level that does not put undue pressures on its financial resources, and the capacity to prevent pregnancies that would be a health hazard to the expectant mother. The United States strongly supports the United Nations effort in this field.

In conclusion, let us recall the remarks that the distinguished representative of the Secretary General made in introducing this subject. She mentioned in particular the efforts of the Secretary General to increase the number of women hired by the United Nations for managerial-level posts.

It is gratifying to see movement in a positive direction. But when we look around us, it is obvious that we have made only a beginning. In our own body, by way of illustration, let us examine Committees I through VI. The Sixth Committee, the Legal Committee, has in its membership no women, while the Third Committee, the Social and Humanitarian Committee, has 46 women. Of the remaining four committees, each has from two to a maximum of seven female members. How can we account for this phenomenon? Is it because even this august body is burdened with the myth and its attendant stereotypes that women are sweet, kind, humane, emotional, unaggressive, and mothering and are therefore best suited to deal with questions of welfare and humanitarian issues?

TREATY INFORMATION

to strengthen U.S. relations with other countries through educational and cultural exchanges. It also coordinates other Federal Government activities in this field and encourages and assists private organizations engaged in exchange activities.

U.S. and Netherlands Sign Cost-Sharing Agreement for Educational Exchanges

Press release 261 dated October 16

The Governments of the Netherlands and the United States on October 16 signed an agreement extending their mutual participation in the program of educational exchange popularly known as the Fulbright-Hays program and formally incorporating the principle of equal cost sharing between the two countries. Signing for the Netherlands was Foreign Minister Norbert Schmelzer and for the United States, Ambassador J. William Middendorf II.

This agreement replaces the 1949 agreement under which a binational educational exchange program between the United States and the Netherlands was first established. In 1966 the Government of the Netherlands began to contribute funds to the program and has since 1969 matched the U.S. contribution annually.

Since the inception of the exchange program between the two countries, over 2,500 exchange grants have been made available to students, teachers, and professors. Of these about 1,000 have gone to American citizens and approximately 1,500 to citizens of the Netherlands.

The organization administering the program in the Netherlands, previously known as the United States Educational Foundation in the Netherlands, becomes, under the new agreement, the Netherlands-American Commission for Educational Exchange.

In the United States the program is supervised by the presidentially appointed Board of Foreign Scholarships and administered by the Bureau of Educational and Cultural Affairs of the Department of State. This Bureau spearheads the Department's effort

Current Actions

MULTILATERAL

Aviation

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971.¹

Signature: Singapore, November 21, 1972.

Protocol relating to an amendment to the convention on international civil aviation, as amended (TIAS 1591, 3756, 5170), with annex. Done at New York March 12, 1971.¹

Ratifications deposited: Chile, October 10, 1972; Ghana, October 18, 1972.

Antarctica

Measures relating to the furtherance of the principles and purposes of the Antarctic treaty. Adopted at Paris November 29, 1968, at the Fifth Consultative Meeting.

Entered into force: May 26, 1972, for V-1 through V-4 and V-9; July 31, 1972, for V-7 and V-8.

North Atlantic Treaty—Status of Forces—Germany

Agreement to amend the agreement of August 3, 1959 (TIAS 5351), to supplement the agreement between the parties to the North Atlantic treaty regarding the status of their forces with respect to foreign forces stationed in the Federal Republic of Germany. Done at Bonn October 21, 1971.¹

Approval deposited: Netherlands, November 20, 1972.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Done at New York December 21, 1965. Entered into force January 4, 1969.²

Accession deposited: Yemen (with reservations and a declaration), October 18, 1972.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (Intelsat),

¹ Not in force.

² Not in force for the United States.

with annexes. Done at Washington August 20, 1971.¹

Ratification deposited: Senegal, November 15, 1972.

Seabed Disarmament

Treaty on the prohibition of the emplacement of nuclear weapons and other weapons of mass destruction on the seabed and the ocean floor and in the subsoil thereof. Done at Washington, London, and Moscow February 11, 1971. Entered into force May 18, 1972. TIAS 7337.

Ratification deposited: Belgium, November 20, 1972.

BILATERAL

Germany, Federal Republic of

Agreement supplementing the agreement of November 20, 1962, as supplemented (TIAS 5518, 6684, 6892, 7086, 7386), for conducting certain educational exchange programs. Effected by exchange of notes at Bonn and Bonn-Bad Godesberg September 28 and November 7, 1972. Entered into force November 7, 1972.

Indonesia

Agreement amending the agreement for sales of agricultural commodities of May 26, 1972 (TIAS 7358). Effected by exchange of notes at Djakarta October 27, 1972. Entered into force October 27, 1972.

Korea

Agreement concerning cooperation in fisheries, with agreed minutes. Signed at Washington November 24, 1972. Enters into force when the Government of the Republic of Korea has given written notification to the Government of the United States that the domestic legal requirements for entry into force have been fulfilled.

Agreement concerning the improvement and standardization of shellfish sanitation practices and exchanges of information on sanitary controls applied to the production and handling of fresh or frozen oysters, clams, and mussels, with related notes. Effected by exchange of notes at Washington November 24, 1972. Entered into force November 24, 1972.

Panama

Agreement relating to the withholding of contributions to educational insurance from salaries paid to certain Canal Zone employees. Effected by exchange of notes at Panamá September 8 and October 13, 1972. Entered into force October 13, 1972.

¹ Not in force.

Philippines

Agreement amending the agreement for sales of agricultural commodities of May 4, 1972 (TIAS 7324). Effected by exchange of notes at Manila October 27 and 31, 1972. Entered into force October 31, 1972.

Sri Lanka

Agreement amending the agreement for sales of agricultural commodities of December 20, 1971 (TIAS 7248). Effected by exchange of notes at Colombo November 3, 1972. Entered into force November 3, 1972.

PUBLICATIONS

1947 "Foreign Relations" Volume on Near East and Africa Released

Press release 285 dated November 17 (for release November 24)

The Department of State released on November 24 volume V in the "Foreign Relations of the United States" series for the year 1947, on *The Near East and Africa*.

This volume of 1,377 pages includes previously unpublished documentation on the origin of U.S. economic and military aid to Greece and Turkey (the Truman doctrine), the "Pentagon Talks" between the United States and the United Kingdom concerning the Middle East and the eastern Mediterranean, the interest of the United States in Communist and nationalist activities in north Africa, negotiations between the United Kingdom and Egypt and the question of possible Egyptian restrictions on transit through the Suez Canal, the Greek frontier question at the United Nations, the Soviet-Iranian impasse over exploitation of oil resources, and the interest of the United States in the Arab-Zionist controversy over the future status of Palestine.

This is the seventh of eight "Foreign Relations" volumes to be published on U.S. diplomacy in 1947. The volumes are prepared by the Historical Office, Bureau of Public Affairs. Copies of volume V may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for \$6.50 each (Department of State publication 8592; Stock Number 4400-01429).

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Press Releases: November 20-26**

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.
Releases issued prior to November 20 which appear in this issue of the BULLETIN are Nos. 261 of October 16 and 285 of November 17.

No.	Date	Subject
†287	11/20	Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter.
*288	11/22	Meeting Nov. 30 of a study group of the U.S. National Committee for the International Radio Consultative Committee.
*289	11/24	Assistant Secretary Newsom to make two-week trip to Africa.
†290	11/24	U.S. and Korea sign fisheries agreements.

* Not printed.
† Held for a later issue of the BULLETIN.

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3:

THE OFFICIAL WEEKLY RECORD OF UNITED STATES FOREIGN POLICY

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DEPOSITORY

THE DEPARTMENT OF STATE BULLETIN

VOL. LXVII, No. 1747

December 18, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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The Imperative of Interdependence

Address by Deputy Secretary John N. Irwin II¹

Less than a week ago the American people gave a resounding vote of confidence to the program and policies of President Nixon's administration; much of their confidence stems, I believe, from the President's foreign policy efforts of the past four years. These years saw a dramatic change in many aspects of American foreign policy and have opened up an entire new chapter in the conduct of our policy with both friends and adversaries:

—Through his historic trip to Peking the President was able to reopen, slightly at least, the closed door that had barred contact between this country and the world's most populous nation.

—In his dealings with the Soviet Union, President Nixon has established a new framework for more stable relations between the world's two most powerful countries. We can take particular satisfaction in the signing of the SALT [Strategic Arms Limitation Talks] agreements, a first step toward stemming the upward spiral of competition in strategic weaponry.

—We have been able to contribute markedly toward the cooling down of the situation in the Middle East. An American-sponsored cease-fire has now held for over two years there. At the same time we have continued in our traditional and valued role of helping insure the security of Israel.

—We have also continued to make strides in our relationships with our European allies. New dimensions have been added to NATO, and the increasingly prosperous European nations are assuming a greater share in the burden of their own defense.

—Perhaps most dramatic, the President has reversed our costly involvement in Vietnam. You know the seriousness with which we have pursued the difficult negotiations which have now, we hope, brought us near a peaceful settlement. The settlement, if it comes, will not have been reached hastily; it will not betray our interests or those of our allies. Independently of the negotiating process, the President has withdrawn half a million men from Indochina, including all ground combat troops. These are substantial achievements—we hope for even more substantial achievements in the fields of rehabilitation and development in Indochina once the fighting is over.

Overall, then, we have made real progress toward the President's goal of a "generation of peace"—toward an era that is characterized by negotiation rather than confrontation. Particularly in our relations with China and the Soviet Union there is still a long way to go, but we are pressing on along the lines that have been laid out during the past four years. A second series of SALT talks will be launched next week with the Soviet Union. Next year we will be engaging in critical negotiations on mutual and balanced force reductions and participating in the Conference on Security and Cooperation

¹ Made before the Correspondent Investment Service Seminar of the United States Trust Company at New York, N.Y., on Nov. 13.

in Europe. Both of these offer us and our European allies opportunities to develop new, more fruitful, and more secure relationships with the Soviet Union and the nations of eastern Europe.

Realism is the only sound basis for an effective foreign policy. The performance of the past four years reflects an accommodation to the realities of the world of the last quarter of this century. Our adaptation to this new role is no less dramatic and no less difficult than the adaptation we made after World War II in assuming an unsought and unaccustomed burden of world leadership.

The continuing role of the United States in the world will require still further, perhaps yet more difficult, adaptations to our world environment as this environment changes.

In the bipolar world that characterized the postwar era, the familiar criterion of strength was military power. We all accept the fact that military strength continues to be an indispensable part of our own posture and plays a significant role for all countries on the world scene. Similarly, of course, political strength has always been and will continue to be a prerequisite of leadership. What is particularly striking now, however, is the much greater importance that economic strength plays and will play in determining world power status. As the bipolar world dissolves into a multipolar structure, it is significant that two of the new power centers—western Europe and Japan—have attained preeminence mainly, if not solely, on the basis of their economic accomplishments.

We must adapt ourselves to new ways of doing business on the international scene. The structure of bilateral diplomacy and state sovereignty and the concepts of national interest which dominate the international process go well back in history—at least to the Congress of Vienna, when an international structure was formed out of the chaos created by the Napoleonic Wars. This international structure has lasted long

and served us well, but it was the product of a world vastly different from the one in which we now live. We must now move ahead toward structures that are better suited to the realities of our own time.

Whatever our ultimate destination, we are on the threshold of great changes. In some areas the transition will be difficult. Traditional forms of state sovereignty still restrict our ways of doing business even while new problems and new phenomena arise that cannot be dealt with in these traditional forms:

—The potential for universal destruction that is posed by nuclear armaments makes a mockery of that famous 19th-century observation that war is merely the continuation of politics by other means.

—In the last few months we have seen how terrorism can leap across international boundaries, while efforts to deal with it are handicapped by these same boundaries.

—Multinational corporations often dispose of greater wealth and power than do many sovereign states.

—Innovations in technology such as weather modification and exploitation of ocean resources cannot be dealt with in traditional ways, for they transcend the kinds of boundaries that we have known in the past.

—The European Community (EC) itself is a sign of the changing times, an evolution from national patterns toward a European union.

None of these problems can be solved unilaterally by us nor by any power no matter how great or small. Someday perhaps international authorities will be competent to deal with them. One can look to the development of organizations such as the United Nations or the OECD [Organization for Economic Cooperation and Development] as supranational mechanisms which, hopefully, may in time bring greater order to the world. For many years to come, however, we must deal with these problems in the framework of the nation-state system. This means that we

must work cooperatively with the other nations of the world.

If we are to assign a name to this new dimension of world affairs it should be "interdependence." It is in this sense that President Nixon has spoken of "a world of independent states and interdependent economies (in which) failure to collaborate is costly."² But this interdependence extends beyond the economic realm and permeates all of our foreign relations.

The Importance of Economics

As the President's statement suggests, economic considerations are central to the concept of interdependence. The international economic picture provides a vivid illustration of the dual trends of the changing environment and the requirement for cooperation.

It is striking to note that in the present state of our relations with our adversaries and allies there is a process at work that a Marxist (or Hegelian) would call dialectic. In dealing with our adversaries, we have been developing new areas of cooperation against a predominant background of rivalry. In dealing with our friends and allies, we must cope with increasing instances of rivalry and competition against a predominant background of cooperation. These rivalries with friends and allies are, as you know, predominantly in the economic sphere. A major challenge to our foreign policy over the next years is going to be the managing of these economic manifestations of a changing world in ways that will not only solve the specific economic problem posed but will maintain and even strengthen our political and military interdependence with our allies.

The economic structure in which we operate stems mainly from the Bretton Woods agreement and the General Agreement on Tariffs and Trade (GATT), both of which

were products of the postwar era—but that era, too, now seems distant, almost as distant economically as the Congress of Vienna does politically.

We have known for some years that the agreements emerging from Bretton Woods have become inadequate. They served us well, forming the basis for levels of trade and payments—and a measure of economic interdependence—never before achieved or expected.

The very degree of interdependence that has come about, however, has brought with it a need to adjust the system. A set of agreed rules or measures directly affecting trade and payments, while necessary, is no longer enough. So complex is the present interrelationship of our economies, particularly among industrialized nations, that we must be concerned with policies and measures that states take for domestic reasons but that indirectly affect international relationships. We need an international system that is workable and also equitable, that is seen to be so by the participating countries, and that takes due account of both domestic political considerations and international necessities.

In opening the annual meeting of the International Monetary Fund in late September, President Nixon stressed that "Potential conflict must be channeled into cooperative competition."³ He went on to point out that "There must be a thoroughgoing reform of the world monetary system to clear the path for the healthy economic competition of the future."

There are reassuring signals that the world is moving toward agreement on a reformed system. With luck, we could have agreement in principle on the broad lines of monetary reform in 1974.

The European Community

Probably the most striking example of the fruits of interdependence—as well as the challenges that it offers—is the growth

² The complete text of President Nixon's foreign policy report to the Congress on Feb. 18, 1970, appears in the *BULLETIN* of Mar. 9, 1970; the section entitled "International Economic Policy" begins on p. 309.

³ *BULLETIN* of Oct. 23, 1972, p. 457.

of European cooperation. The United States supported, and has benefited from, the European Community from the start; and we have welcomed the decision of Britain, Denmark, and Ireland to join. This support has been based on the expectation that an economically strong, united Europe can and will assume an increasing share of the responsibility for maintaining a stable world order.

At the same time, however, the process of European economic integration has created problems for the United States. A number of issues have arisen between us which, if left unresolved for too long, could seriously undermine the even more fundamental political and strategic traditions that exist between ourselves and Europe:

—A major problem area has been the Community's highly protectionist agricultural policy, which limits our export opportunities in an economic sector in which our country enjoys a distinct competitive advantage.

—The EC is now discussing plans for an industrial policy which may provide for measures to encourage European firms in high-technology industries. These plans have not yet matured to the point where we can tell whether they will affect American export and investment interests. Naturally, we are concerned because this is another sector on which the United States must rely increasingly to earn the foreign exchange needed for our expanding volume of imports.

—Perhaps the most dangerous issue is the proliferation of preferential arrangements between the EC and nonmember countries, reaching beyond western Europe into the Mediterranean, tropical Africa, and possibly other areas such as the Caribbean. We are concerned not only because of the potential adverse effect of these arrangements on our trade but even more because of the challenge they present to the most-favored-nation principle, which is basic to the multilateral trade and payments system. We believe that many of these arrangements are not compatible with GATT. We are par-

ticularly opposed to the so-called reverse preferences which developing countries associated with the EC are expected to grant to EC exporters and which are not in the interest of the developing countries. Fortunately, there is some evidence of understanding on this issue within the Community, and there are signs of resistance to reverse preferences in some of the developing countries.

If the Community were to seem to be developing into a self-centered protectionist economic bloc, it would be very difficult to contain a protectionist reaction in the United States. Conversely, if circumstances should lead the United States to turn protectionist, it would immeasurably strengthen similar tendencies in the Community. Rising economic tensions, in turn, would inevitably spill over into the political and security fields. Both sides therefore have a vital stake in resolving these differences lest we suffer setbacks in areas where interdependence has made the greatest strides and produced the most striking benefits.

The best way, we believe, to deal with the discrimination inherent in the enlargement of the European Community and its preferential arrangements is to press ahead with reciprocal trade negotiations aimed at reducing and ultimately eliminating *all* barriers to trade and investment.

Earlier this year we reached agreement with the EC, Canada, and Japan to launch another major round of talks in 1973 which will cover not only tariffs but also nontariff barriers, in industrial as well as agricultural trade. The EC confirmed this commitment at its recent summit conference.

When we talk about nontariff barriers, we are not only thinking of quantitative restrictions on imports but also such practices as preferences in government procurement and various measures of direct and indirect subsidization—including subsidization through tax and credit systems—which distort international trade and investment flows. The proposals for Community-wide industrial and regional policies have focused

attention on this problem in Europe, but it is worldwide in scope. In many cases, these measures serve legitimate domestic objectives. What is needed is a code of behavior to limit adverse effects. In the absence of such rules, we might well see an escalation of such measures both here and abroad, with disruptive effects on international trade.

The Energy Situation

One problem area with which I have been particularly concerned is that of meeting our essential energy needs.

We and the other industrialized nations, and the developing countries as well, are consuming energy at a rate which continues to grow dramatically and which will require vast new supplies of energy in the future. With large-scale and cheap energy from atomic, geothermal, solar, or other exotic sources probably not available before the late 1980's, we and the rest of the world will have to rely increasingly on petroleum and gas to meet our needs.

We Americans have long taken cheap and readily available energy for granted. Our consumption of oil and gas has surpassed our domestic production for over a decade, and our ability to produce from domestic sources has more recently reached a plateau from which it is unlikely to increase again—even if Alaskan and other potential new sources are brought to market in the near future. Today we import over one-quarter of our oil and are the world's largest importer. By the next decade, we may be importing over half of our oil and a sizable proportion of our gas.

Europe and Japan, of course, are already reliant on imports for their energy needs.

In light of this situation, we believe that it is essential that we work to limit our reliance on imported oil. There are steps we could take domestically to reduce the uncontrolled growth of our consumption and to maintain a reasonable domestic production. We are at the same time in contact with our sister states of the Western Hemisphere to seek ways in which increased sup-

plies from these sources might be made available. We are also, of course, seeking to eliminate or smooth possible frictions in our future supply relationship with the major oil-exporting nations of the Persian Gulf area and elsewhere. Finally, we are in close contact with other important consuming nations in an effort to ease the dangers of potential petroleum shortages. But even if all these efforts succeed, we will only have reduced the size of this problem, not eliminated it. The basic dilemma will be with us for many years.

The Less Developed Countries

My remarks have concentrated mainly on the economic relationships that our country has with the other economically advanced countries—Canada, western Europe, and Japan. This group of countries is the focal point of interdependence. But there are two other broad areas of economic concern that are of great, even vital, importance to the United States.

The first of these other areas is made up of the economically less developed countries of the world, whose per capita incomes are very low but have so many "capita" that they must be taken fully into account.

In the long range, these are countries that must be integrated into the international economic system. Otherwise, we could, a decade or so hence, find ourselves in a situation in which bitter rivalry between a wealthy Northern Hemisphere and a poverty-stricken Southern Hemisphere has replaced the East-West confrontation of the last quarter century. If such a new confrontation is to be avoided, we must embark now upon courses of action that provide to these poor countries access to a reasonable share of the world's wealth and give to them a legitimate voice in determining the economic structure of the world in which we all live together.

Our Domestic Economy

The second large area of concern is our domestic economy. Now more than ever, a

sound domestic economy (and in the broader sense a sound domestic society) is a critical requirement for foreign policy. Our economy must generate the resources that are needed for maintaining our military strength and playing a creative role abroad in helping others to help themselves. Furthermore, a strong economy is a critical component in our dealings with the other economic powers of the world. For example, a more competitive export performance will help resolve many of the problems that bedevil our relations with Japan and western Europe, permitting us to concentrate on more positive aspects of these relationships.

In addition, I would reemphasize that in the economic sphere (although not only there) the old distinctions between foreign and domestic policy have lost much of their validity. The price of gold, patterns of investment, inflation, unemployment, and production levels are all matters that must be seen in a context that is both national and international. What we do in these fields has an impact far beyond our own borders; in turn, events abroad impact directly upon these and other areas that used to be thought of solely as our domestic concern—another vivid demonstration of interdependence.

Foreign policy in general is of concern to and must be dealt with by all of us here today, whether in the government or not. Foreign economic affairs, particularly, are very much the common task of those of you here today. I hope all of you will work hard at this common task, not only for individual or national profit but also for that of the whole interdependent world economic com-

munity. If you do and if our respective governments do, I believe we can look to a productive, if difficult, period of negotiation and change for the ultimate benefit of all.

Approval of Weapons Systems for Korea, Turkey, and Jordan

PRESIDENTIAL DETERMINATION NO. 73-5¹

PRESIDENTIAL DETERMINATION—THE REPUBLIC OF
KOREA, TURKEY, AND JORDAN

Memorandum for the Secretary of State

THE WHITE HOUSE,
Washington, November 1, 1972.

In accordance with the recommendation in your memorandum of August 7, 1972, I hereby:

(a) Determine, pursuant to Section 504(a) of the Foreign Assistance Act of 1961, as amended, that the furnishing of sophisticated weapons systems in FY 1973 to the Republic of Korea, Turkey, and Jordan is important to the national security of the United States.

(b) Determine, pursuant to Section 4 of the Foreign Military Sales Act, as amended, that the financing of the sale of sophisticated weapons systems to Jordan is important to the security of the United States.

You are requested on my behalf to report this determination to the Senate and the House of Representatives as required by law.

This determination shall be published in the FEDERAL REGISTER.



¹ 37 Fed. Reg. 24650.

Mutual Trust and Security in U.S.-Japan Relations

Address by Marshall Green

*Assistant Secretary for East Asian and Pacific Affairs*¹

Speaking before the Japan-America Society for the first time inevitably calls to mind my first association with this society. It was back in 1939 when, fresh from Yale, I was signed on as Ambassador [Joseph Clark] Grew's private secretary and accompanied him back to Japan on the *Tatsuta Maru*. Almost immediately after our arrival in Japan, he delivered his famous October 19 address before the Japan-America Society.² This straight-from-the-horse's-mouth speech—as Grew was wont to call it because of its directness and frankness—was an attempt to bring home to the Japanese the realities of American public opinion and of American policy in the Far East.

The history of the relations of our two countries has undergone tumultuous changes since then, and great strides have been taken in recent years toward establishing our relations with Japan on a stable and durable base. Both America and Japan today recognize their interdependence. They both recognize that their relations with each other are more significant and important than their relations with any other countries.

Yet we are not without our problems. For example, there has been the series of so-called "Nixon shocks" of 1971:

—The sudden announcement on July 15 of the President's intention to visit Peking.

—The August 15 announcement of our

new economic policy and the imposition of an import surcharge that led to the Smithsonian agreement and the revaluation of the yen.

—The decisions taken in October on Japanese synthetic textile exports to the United States.

There was also the defeat we suffered a year ago on the resolution sponsored by both Japan and the United States that would have retained a seat in the U.N. General Assembly for the Republic of China.

All of these events caused some observers to feel that we were mishandling this vital relationship with Japan, that somehow we had lost contact with each other, lost the ability to communicate, or that our policies were beginning to diverge seriously. While the President's initiative on China was widely applauded—including in Japan—there were those who felt that we were in danger of sacrificing the obvious benefits of close ties with a proven friend of immense economic power and enormous potential influence, namely, Japan, for uncertain gains through a new relationship with an adversary power, namely, the PRC.

Some have even attempted to draw direct parallels between the course of events in our relations with Japan during the early 1970's with those of the early 1930's. For example, last year at a staff meeting I read a confidential report received from the Embassy in

¹ Made before the Japan-America Society at Washington on Sept. 21 and recently released for publication.

² For text, see BULLETIN of Nov. 11, 1939, p. 509.

Tokyo which commented as follows on Japan's burgeoning exports to an increasingly alarmed international community:

Japan now finds herself like nothing so much as a high-powered steam engine with a particularly stout gang of stokers shovelling fuel under the boilers; and a number of onlookers busy securing every orifice against the escape of steam. It requires no prophet to foresee the result.

Japanese goods of increasingly wider range and higher quality are finding their way into industrialized countries. The charges of "dumping" freely levelled against Japan are, in every case that it has been possible to investigate, found to be without foundation. Japanese wages are low. Japanese currency is undervalued. And these two great advantages are given a deadly effectiveness by the enterprise and industry of the Japanese. Many countries are considering measures to curtail Japanese exports by raising import duties or establishing import quotas or exchange compensation surtaxes. And as Japanese exports increase, Japanese competition has to be faced in practically every country of the world. Yet economic nationalism is a growing force to be reckoned with—and the days are numbered of unlimited exports of Japanese goods to countries from which Japan is unwilling to import anything in return.

After reading this excerpt, I asked whether the staff thought the Embassy's report was overdrawn. Some thought it was somewhat overdrawn, some didn't; but no one recalled seeing that particular Embassy report. I replied perhaps they were too young to remember it because it was a British Embassy, Tokyo, report dated March 1933. *Plus ça change*—

But tonight I would like to present to you a view that is a great deal more optimistic than the one I have just been discussing. The experiences that lead me to this more optimistic outlook are fairly recent in time and involve a relatively new and sometimes controversial element in international diplomacy—summitry, the meeting of heads of government for direct discussions of matters of moment. First, a word or two about summitry in general:

—Summitry is a fairly recent phenomenon. There have been many summits before, but thanks largely to the speed of jet aircraft, meetings by chiefs of government in-

volve only a few days' absence from country or capital.

—Summitry is controversial. It builds expectations, and the glare of publicity tends either to magnify failures or overinflate successes. It also arouses suspicions of secret deals. Incidentally, there have been none of these in any of the President's summit meetings.

—Summitry has also proven very useful. It forces governments to focus hard on mutual problems. Summit meetings impose deadlines for the solution of pressing problems.

—Successful summitry involves careful preparation—mountains of memoranda and position papers and advance negotiations.

—Summitry also gives leaders the opportunity for personal talks and establishes rapport between leaders. Summitry is, in short, a difficult, intricate art which is potentially highly useful.

President Nixon has made it his personal style to meet world leaders, and he has been successful in dealing directly and systematically with the most important foreign policy issues. This has been particularly true with Japan. I have in mind three major summit meetings during President Nixon's administration:

President Nixon and Prime Minister Sato met in Washington during November 1969; they met again at San Clemente in January 1972; and the President met Prime Minister Tanaka at Kuilima, Hawaii, August 31–September 1, 1972.³

Each of these represented a step forward in the evolution of the U.S.-Japan relationship. Parenthetically, each seems to have brought President Nixon and the rest of his delegation further westward, closer to Japan itself.

As I have just said, summitry forces governments to face up to basic issues and reach decisions based on a realistic assessment of national interests. Certainly each of these

³ For background, see BULLETIN of Dec. 15, 1969, p. 551; Jan. 31, 1972, p. 117; and Sept. 25, 1972, p. 329.

three meetings had a substantive result that might not have been possible without participation at the highest levels. Let me illustrate this with a brief look at each of these occasions.

At the first meeting in November 1969, Prime Minister Sato was nearing the end of a long term in office in which he had set his sights on obtaining the reversion of Okinawa. President Nixon, new in office, was well aware that Japanese and Okinawan sentiment could no longer brook continued U.S. administration over the 1 million Japanese citizens on Okinawa. He was mindful that future U.S.-Japan relations depended on the United States now fulfilling its pledge to return Okinawa to Japan. And both governments wanted to prevent the Security Treaty from becoming a serious issue when on June 26, 1970, after its initial 10 years, it entered a new phase under which either side could abrogate it upon one year's notice.

Details on terms of the Okinawa reversion had long been discussed by Embassy Tokyo, the State Department, and the Defense Department with our various Japanese opposites. On this and other issues raised at the Sato-Nixon summit in Washington, the ground had been carefully prepared.

I firmly believe that the Sato-Nixon communique was the most significant single document in East Asian affairs these past three years. This is not to minimize the great importance of the Shanghai communique last February. The effect of the Washington summit meeting in 1969 was to put our relations with Japan on a new footing based on interdependence. The two leaders agreed that:

—First, the Mutual Security Treaty of 1960 was of continuing importance;

—Second, the United States should continue to be in a position to carry out its security obligations in the Far East;

—Third, Okinawa should revert to Japan in 1972, with the United States retaining its bases there under the basic terms of the Mutual Security Treaty;

—Fourth, Japan would rapidly reduce its

restrictions on the import of U.S. goods and capital to Japan; and

—Fifth, Japan in effect pledged itself to give far more concessional aid to developing countries. Incidentally, in the communique the President and Prime Minister recognized that there would be major requirements for the postwar rehabilitation in Viet-Nam and elsewhere in Southeast Asia. The Prime Minister stated the intention of the Japanese Government to make a substantial contribution to this end.

These agreements had the desired effect. The antitreaty movement in Japan subsided; June 26, 1970, became just another day. Prime Minister Sato and the Liberal Democratic Party (LDP) won the national election the following month in impressive fashion, and Japan's relationship with the United States was not an issue in that election.

The second meeting, at San Clemente in January 1972, took place under very different circumstances. It occurred six months after the July 15, 1971, announcement of the President's planned trip to Peking and at a time when Prime Minister Sato was in his last months in office. In fact, a political struggle was shaping up within the LDP between Foreign Minister Fukuda and MITI [Ministry of International Trade and Industry] Minister Tanaka, both of whom were present at San Clemente, as to who was going to succeed Prime Minister Sato. The Japanese were still recovering from the so-called "Nixon shocks," showing some signs of resentment. President Nixon was about to leave for Peking, with the Japanese uncertain of the outcome and frustrated over Peking's refusal to deal with them.

The task for us, however, was twofold:

—First, to restore Japanese confidence in our ability and intention to handle our relationship with the PRC without harming U.S.-Japanese relations;

—Second, to convince the Japanese of the need for action to correct our growing trade imbalance.

While the results of San Clemente were not immediately apparent, it proved to be

helpful in preparing the way for the President's trip to Peking and in restoring confidence and understanding on both sides. I might add that although it was a less important meeting than either Washington or Kuilima, it was in some ways the most pleasant. This was because the Japanese and American delegations shared the same hotel at Newport Beach, and there were many informal meetings between old friends from the *Gaimusho* and the State Department.

This brings us to the third meeting, at Kuilima, Hawaii, August 31, 1972. Between the time of the San Clemente summit and the Kuilima summit, considerable change had occurred. President Nixon's trip to China had occurred, culminating in the Shanghai communique. The President had subsequently visited Moscow. The Ryukyus did revert to Japan on schedule—May 15—in an impressive Tokyo ceremony. The United States no longer held any Japanese territory. It was now up to the Russians to return to Japan what was rightfully Japanese.

In early July 1972, Mr. Tanaka became Prime Minister and was being wooed by Peking, which now seemed more conciliatory toward Japan and at least as eager as Japan to normalize relations. There were signs that Mr. Tanaka would shortly be going to Peking.

The joint statement issued at the conclusion of the Kuilima meeting reflected agreement and understanding on a wide range of issues. But the real message of Kuilima was that both Japan and the United States would pursue essentially the same goals but each would recognize the different circumstances in which the other must operate and accept the fact that the other may have to take somewhat different paths at times toward the same goals. In any case, it was clearly understood that Japan's normalization of relations with the PRC should in no way impair the Mutual Security Treaty or our ability to deliver on our commitments in the Far East.

Kuilima was preceded by a lot of hard diplomatic spadework, including agreement on specific short-term measures to reduce

the imbalance in our bilateral trade account. This agreement was also announced at Kuilima.

Prime Minister Tanaka described Kuilima as a family gathering. The President was obviously reassured that while Japan had a new pitcher on its ball team—with perhaps a different assortment of pitches—the team remained essentially the same and Prime Minister Tanaka would not move the franchise to another league.

For his part, Prime Minister Tanaka had every right to feel reassured that our policies toward Japan and toward China and toward other major issues remain steadfast, that we place the highest value on our relationship with Prime Minister Tanaka's government, and that we shared Prime Minister Tanaka's hope that his visit to the PRC would serve to further the trend toward relaxation of tension in Asia.

Japan, it would seem, had gained new awareness of its negotiating power and leverage; and despite its firm determination not to develop a military force for operations beyond Japan, it could play the diplomatic power game like any other nation in Japan's position.

By now the so-called "Nixon shocks" had receded into the background. Japan had come to see that the President's initiative toward China, far from being a blow to Japan, was a boon to Japan.

And I might add, parenthetically, that for over two decades now American policies in East Asia have been almost uniformly of great benefit to Japan. These include our enlightened occupation policies, the stand we took in Korea in 1950, the stand we took in Viet-Nam and in Southeast Asia generally, and now the moves the President has taken to improve our relations with the PRC while maintaining our ties with the Republic of China on Taiwan.

I am told that in Hawaiian, *kuilima* means "arm in arm." That's a good omen. It means that at least we are facing and moving in the same direction.

But I expect we will continue to face difficulties. There have always been some in

Japan who would dispense with our security relationship. We will also continue to be competitors in our own markets and in third countries. So I wouldn't be so naive as to suggest that at Kuilima we settled all of our problems; for we clearly did not.

What the President, Prime Minister Tanaka, Secretary Rogers, and Foreign Minister Ohira did do at Kuilima was to help build a basis for resolving these and other problems and to achieve a greater degree of mutual trust and confidence than has marked our relations for years.

That, I submit, is achieving a great deal; and I doubt whether it could have been accomplished in any other way than through the atmosphere and evolving decisions reached at the major summits of Washington, San Clemente, and Kuilima.

168th Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Ambassador William J. Porter, head of the U.S. delegation, at the 168th plenary session of the meetings on Viet-Nam at Paris on November 30.

Press release 295 dated November 30

Ladies and gentlemen: Whatever our current differences of judgment about the speed with which negotiations are proceeding, let me say at the outset that it is a good thing that we are meeting here today. This forum, which in the past has not served the functions originally prescribed for it, appears likely to be tasked in the relatively near future with functions connected with the settlement we are all trying in good faith to bring to a final conclusion.

We had hoped, as you know, to reach an agreement earlier. We worked hard to bring this about. But the issues in this long conflict are complex, as all recognize, and can be neither dismissed nor distorted. We re-

iterate to you our President's firm intention to permit no avoidable delay in ending this war and entering a period of peace and reconstruction. Peace, when it comes, will be all the more stable and enduring if it is the result of planning careful and equitable relationships for the future.

In this present phase, then, we should respect each other's problems and concerns, and we should have faith that the serious purpose demonstrated and the major progress achieved will lead at an early date to a mutually satisfactory final result. I believe we all owe it to our people, who have confidence in us, to continue the efforts which have been made thus far and bring them to a successful conclusion.

I ask you to believe that we envisage a new and mutually beneficial relationship with all of you. We Americans have no permanent enemies. We take pride in the fact that many of those with whom we have had difficulties in the past are now our friends. Thus it will be with all Vietnamese and Americans, if you desire it and if we can learn to understand each other and work together.

U.S. and Canada Receive IJC Report on Transboundary Air Pollution

Press release 255 dated October 12

The Department of State on October 12 announced that a report on transboundary air pollution in the Detroit-Windsor and Sarnia-Port Huron areas has been presented by the International Joint Commission to the Governments of the United States and Canada.

The report is the product of extensive investigations carried out by the Commission over the past six years. The Commission's inquiry involved a meteorological study of the two areas, measurement of the contamination of air masses crossing the international boundary, identification and quantification of the sources of transboundary air

pollution, and determination of the resulting adverse effects. The Commission has found that there is transboundary pollution in both areas. In the Detroit-Windsor area roughly 90 percent of the particulates and 94 percent of sulfur oxides originated in the United States. In the Sarnia-Port Huron area approximately 52 percent of the particulates and 27 percent of sulfur oxides originated in Canada.

The malodors experienced in Port Huron and Marine City, Mich., were due to transboundary movement from the Canadian side. The principal sources of the major pollutants, particulates, and sulfur oxides in the Detroit River area were the steam electric powerplant and metallurgical industries in Wayne County, Mich. The principal sources of these air contaminants in the St. Clair River area were the steam electric powerplants in Michigan and the oil refineries and chemical industries near Sarnia.

The Commission has submitted a comprehensive action plan for correcting this serious situation. The Commission has recommended: first, that the Federal, State, and Provincial authorities adopt the general and specific air quality objectives proposed by the Commission; second, that the Governments of the United States and Canada, with the appropriate participation by the State of Michigan, Wayne County, and the Province of Ontario, "enter into an agreement on schedules for the implementation, at the earliest practicable date, of preventive and remedial measures to achieve the said air quality objectives and a uniform method for assessing air quality"; third, that the governments concerned enter into agreement on coordinated procedures under which the regulatory agencies in both countries will respond quickly to adverse atmospheric conditions when these arise; fourth, that the two governments, in concert with State and Provincial agencies and industry, expand their air quality research programs; and finally, that the Commission itself be assigned a new role of surveillance and monitoring the programs and making further recommenda-

tions. In this connection, the Commission has proposed the establishment of a permanent International Advisory Board and Citizens Advisory Groups to assist it in carrying out its duties.

The U.S. Government will give prompt and serious attention to the Commission's recommendations. As already agreed, U.S. officials will be meeting shortly with Canadian officials to discuss the Commission's report and recommendations. In these discussions the U.S. Government will be guided by the U.S. Clean Air Act of 1963 and its amendments of 1970.

Secretary Rogers Inaugurates New Operations Center

Press release 293 dated November 30

Secretary Rogers on November 30 formally inaugurated a redesigned and completely modernized area housing the Department of State's Executive Secretariat. Speaking to the Secretariat staff, Secretary Rogers said: "In this era of constantly expanding technology, diplomacy must take full advantage of the most rapid means of communications. I believe that our new Secretariat provides the Department of State with the most modern and effective tools to assist in implementing this Nation's foreign relations. The State Department, and the entire foreign affairs community in Washington, will benefit from our modernization program here."

The refurbished area encompasses almost 19,000 square feet and accommodates the most up-to-date telecommunications equipment, computer input-output terminals, high-speed reproduction equipment, audiovisual aids, and "crisis management" facilities. Central to the planning for this space-age Secretariat facility has been the Secretary's instructions for development of an automated information-management system and a thoroughly modern Department Operations Center. Funded by congressional appropriations

of \$188,000, the reconstruction project began in September 1971 and was completed in November 1972.

The Executive Secretariat, established in 1947, is charged with providing 24-hour-a-day support for the Secretary and his principal deputies; with managing the policy communications flow within the Department and between the Department, the White House, and other agencies involved in foreign affairs; and coordinating action on the foreign policy directives and instructions from the President and the Secretary.

The Secretariat's Information Management Section has developed and put into operation the Secretariat Automated Data Index System, known by its acronym SADI. SADI has revolutionized the Department's information management and has set a precedent in the field. SADI now provides the Secretary and his staff with precision control of all documents handled by the Secretariat and almost instantaneous access to them. Numerous government agencies and private corporations are sending teams to the Secretariat to observe the innovative solutions to the problems of document control and retrieval.

The Operations Center, the Department's around-the-clock nerve center, is the focal point for much of the information flowing into the Department from U.S. posts abroad, the White House, government agencies, and all the media services. The modernization project has enhanced the Operations Center's ability to meet its three principal responsibilities: alerting the Secretary and other Department officers to important breaking events, providing concise briefings on those developments, and helping to coordinate U.S. Government actions when an immediate response is required.

Flanked by an impressive array of new telephonic and telegraphic equipment, the Center's watch teams are in continuous contact with their counterparts in the White House, the Pentagon, CIA, and other centers. Telephone consoles are linked to the worldwide military communications system. The

Operations Center is prepared to reach major diplomatic posts at a moment's notice. Of the million and a quarter telegrams now pouring into and out of the Department each year, more than 80,000 are directed to the Center for determination if immediate action is required. The installation of new communications equipment and high-speed teletypes has greatly reduced the time required to process messages.

Adjacent to the Operations Center is the Department's specially designed Task Force area. This area is intended primarily for use in fast-breaking crisis situations and is designed to allow four separate working groups to operate at one time. It is directly linked to the Operations Center's communications array and connected to a new conference room equipped to provide triple-screen graphics projection and simultaneous interpretation of two languages.

The modernization of the Executive Secretariat will serve two major goals: providing the Secretary of State with the kind of support he needs to advise and assist the President on foreign policy matters and insuring that the Department of State is ready to meet its foreign affairs responsibilities by using effectively the new tools of today's most advanced communications technology.

Congressional Documents Relating to Foreign Policy

92d Congress, 2d Session

The European Community and the American Interest. Report of special study mission to Europe, January 1972, submitted to the House Committee on Foreign Affairs by Hon. Benjamin S. Rosenthal and Hon. Donald M. Fraser. March 19, 1972. 52 pp.

Soviet Space Programs, 1971—A Supplement to the Corresponding Report Covering the Period 1966–70. Staff report prepared for the use of the Senate Committee on Aeronautical and Space Sciences by the Science Policy Research Division, Congressional Research Service, Library of Congress. April 1972. 81 pp.

London Conference Agrees on Ocean Dumping Convention

An intergovernmental conference which met at London October 30–November 13 agreed on the text of a Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter. Following are a statement by Russell E. Train, Chairman of the Council on Environmental Quality and head of the U.S. delegation to the conference, issued at London on November 13 and the text of the convention, with annexes.

STATEMENT BY MR. TRAIN

I am very pleased with the text of the ocean dumping agreement which we have just reached in London. Such an agreement has been a major policy objective of the United States. The new agreement is a strong and effective measure which represents a historic step toward the control of global pollution.

This international agreement on ocean dumping, first suggested by President Nixon in his environment message of February 1971, achieves substantially all of the objectives which the United States has been seeking.¹

The United States has recently adopted comprehensive legislation, proposed by the President almost two years ago, to control the ocean dumping of wastes off its own shores. That legislation implements the recommendations of the Council on Environmental Quality made to the President and

transmitted by him to the Congress in October 1970 ("Ocean Dumping—A National Policy," report of the Council on Environmental Quality). The U.S. legislation brings under strict regulatory control all dumping off the shores of the United States. As such, it represents one of the strongest and most comprehensive regulatory systems of any nation in this critical area. The President and the responsible committees of the Congress have demonstrated outstanding leadership in this field.

The parties to the new convention now are agreeing to undertake similar systems of national regulation of dumping. In addition, the agreement calls for the designation of an international organization to coordinate and otherwise assist the implementation of the convention.

The framework of the convention is quite simple. It recognizes that the health of the marine environment is of vital importance to mankind. It requires governments to regulate dumping, including monitoring. Certain very harmful substances, such as certain pesticides, persistent oils, high-level radioactive wastes, persistent plastics, cadmium, mercury, and their compounds, et cetera, are prohibited to be dumped entirely. Another group of wastes are to be dumped only under special conditions, requiring special permits. These include cyanide and fluoride wastes and other materials containing certain heavy metals such as arsenic, lead, and chromium. Finally, all other substances will require general permits. Thus, all matters dumped into the oceans will be brought under regulation.

The agreement contains one narrowly re-

¹ For excerpts from President Nixon's message to the Congress on Feb. 8, 1971, see BULLETIN of Mar. 1, 1971, p. 253.

stricted exception to the prohibited list confined to emergency situations where disposal on land could create unacceptable risk to human health. In such cases, the circumstances are to be reported to the responsible international organization and consultations held with other interested governments. It is our hope and expectation that this exception will have an extremely limited application. We would prefer that it never have to be used at all.

I wish to pay tribute to the representatives of the 92 nations who have been meeting in London for their hard work and conscientious effort over the past two weeks. The delegates have met far into the night, as well as on Saturdays and Sundays. All delegations have contributed to the great success of the meeting. I also wish to express particular appreciation to the Government of the United Kingdom, which has been the host country for the conference, for the excellence of the conference arrangements. I know that I speak for all delegations in paying tribute to the splendid job of chairing the conference performed by Dr. Martin Holdgate, Department of the Environment of the United Kingdom.

The United Nations Conference on the Human Environment, held in Stockholm last June, strongly endorsed the concept of an ocean dumping convention to be completed in time for signature prior to the end of 1972. We have now met this goal. The agreement which we have reached provides practical evidence of the increasing priority the nations of the world are giving to environmental problems.

Standing alone, this convention will not solve the problems of marine pollution. But when the dumping convention is considered with other conventions adopted through the Intergovernmental Maritime Consultative Organization (IMCO), especially those dealing with oil pollution, a genuinely workable framework of controlling marine pollution is emerging. As a matter of Presidential policy, the United States will continue to press for further agreements to fill out these

substantial efforts. In particular, we are already deeply involved with the IMCO preparations for a fall 1973 conference to adopt a new convention imposing extremely stringent standards on discharges of oil and hazardous substances and on the construction of ships carrying these materials.

I would emphasize that we are building a momentum on international steps to control pollution. The nations of the world must maintain it. International cooperation to protect the environment provides a positive and vital opportunity for the nations of the world to work together. The United States will continue to lend its full support to these efforts.

TEXT OF CONVENTION WITH ANNEXES²

Press release 287 dated November 20

Text of Convention

CONVENTION ON THE PREVENTION OF MARINE POLLUTION BY DUMPING OF WASTES AND OTHER MATTER

PREAMBLE

The Contracting Parties to this Convention

Recognizing that the marine environment and the living organisms which it supports are of vital importance to humanity, and all people have an interest in assuring that it is so managed that its quality and resources are not impaired;

Recognizing that the capacity of the sea to assimilate wastes and render them harmless, and its ability to regenerate natural resources, is not unlimited;

Recognizing that States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction;

Recalling Resolution 2749 (XXV) of the General Assembly of the United Nations on the principles governing the seabed and the ocean floor and the subsoil thereof, beyond the limits of national jurisdiction;

² This text is subject only to linguistic verification for the English, French, Spanish, and Russian languages.

Noting that marine pollution originates in many sources, such as dumping and discharges through the atmosphere, rivers, estuaries, outfalls and pipelines, and that it is important that States use the best practicable means to prevent such pollution and develop products and processes which will reduce the amount of harmful wastes to be disposed of;

Being convinced that international action to control the pollution of the sea by dumping can and must be taken without delay but that this action should not preclude discussion of measures to control other sources of marine pollution as soon as possible and;

Wishing to improve protection of the marine environment by encouraging States with a common interest in particular geographical areas to enter into appropriate agreements supplementary to this Convention:

Have agreed as follows:

ARTICLE I

Contracting Parties shall individually and collectively promote the effective control of all sources of pollution of the marine environment, and pledge themselves especially to take all practicable steps to prevent the pollution of the sea by the dumping of waste and other matter that is liable to create hazards to human health, to harm living resources and marine life, to damage amenities or to interfere with other legitimate uses of the sea.

ARTICLE II

Contracting Parties shall, as provided for in the following Articles, take effective measures individually, according to their scientific, technical and economic capabilities, and collectively, to prevent marine pollution caused by dumping and shall harmonize their policies in this regard.

ARTICLE III

For the purposes of this Convention:

1. a. "Dumping" means:

(i) any deliberate disposal at sea of wastes or other matter from vessels, aircraft, platforms or other man-made structures at sea;

(ii) any deliberate disposal at sea of vessels, aircraft, platforms or other man-made structures at sea;

b. "Dumping" does not include:

(i) the disposal at sea of wastes or other matter incidental to, or derived from the normal operations of vessels, aircraft, platforms or other man-made structures at sea and their equipment, other than wastes or other matter transported by or to vessels, aircraft, platforms or other man-made structures

at sea, operating for the purpose of disposal of such matter or derived from the treatment of such wastes or other matter on such vessels, aircraft, platforms or structures;

(ii) placement of matter for a purpose other than the mere disposal thereof, provided that such placement is not contrary to the aims of this convention;

c. The disposal of wastes or other matter directly arising from, or related to the exploration, exploitation and associated off-shore processing of seabed mineral resources will not be covered by the provisions of this Convention.

2. "Vessels and aircraft" means waterborne or airborne craft of any type whatsoever. This expression includes air cushioned craft and floating craft, whether self-propelled or not.

3. "Sea" means all marine waters other than the internal waters of States.

4. "Wastes or other matter" means material and substance of any kind, form or description.

5. "Special permit" means permission granted specifically on application in advance and in accordance with Annex II and Annex III.

6. "General permit" means permission granted in advance and in accordance with Annex III.

7. "The Organisation" means the organisation designated by the Contracting Parties in accordance with Article XIV 2.

ARTICLE IV

1. In accordance with the provisions of this Convention, Contracting Parties shall prohibit the dumping of any wastes or other matter in whatever form or condition except as otherwise specified below:—

a. The dumping of wastes or other matter listed in Annex I is prohibited;

b. The dumping of wastes or other matter listed in Annex II requires a prior special permit;

c. The dumping of all other wastes or matter requires a prior general permit.

2. Any permit shall be issued only after careful consideration of all the factors set forth in Annex III, including prior studies of the characteristics of the dumping site, as set forth in Sections B and C of that Annex.

3. No provision of this Convention is to be interpreted as preventing a Contracting Party from prohibiting, insofar as that Party is concerned, the dumping of wastes or other matter not mentioned in Annex I. That Party shall notify such measures to the Organisation.

ARTICLE V

1. The provisions of Article IV shall not apply when it is necessary to secure the safety of human life or of vessels, aircraft, platforms or other man-

made structures at sea in cases of force majeure caused by stress of weather, or in any case which constitutes a danger to human life or a real threat to vessels, aircraft, platforms or other man-made structures at sea, if dumping appears to be the only way of averting the threat and if there is every probability that the damage consequent upon such dumping will be less than would otherwise occur. Such dumping shall be so conducted as to minimize the likelihood of damage to human or marine life and shall be reported forthwith to the Organisation.

2. A Contracting Party may issue a special permit as an exception to Article IV 1a, in emergencies,³ posing unacceptable risk relating to human health and admitting no other feasible solution. Before doing so the Party shall consult any other country or countries that are likely to be affected and the Organisation which, after consulting other Parties, and international organisations as appropriate, shall, in accordance with Article XIV 4e promptly recommend to the Party the most appropriate procedures to adopt. The Party shall follow these recommendations to the maximum extent feasible consistent with the time within which action must be taken and with the general obligation to avoid damage to the marine environment and shall inform the Organisation of the action it takes. The Parties pledge themselves to assist one another in such situations.

3. Any Contracting Party may waive its rights under Paragraph 2 at the time of, or subsequent to ratification of, or accession to this Convention.

ARTICLE VI

1. Each Contracting Party shall designate an appropriate authority or authorities to:

a. issue special permits which shall be required prior to, and for, the dumping of matter listed in Annex II and in the circumstances provided for in Article V 2;

b. issue general permits which shall be required prior to and for the dumping of all other matter;

c. keep records of the nature and quantities of all matter permitted to be dumped and the location, time and method of dumping;

d. monitor individually, or in collaboration with other Parties and competent international organisations, the condition of the seas for the purposes of this Convention.

2. The appropriate authority or authorities of a Contracting Party shall issue prior special or gen-

³ The U.S. delegation submitted the following interpretive statement: "The United States understands that the word 'emergency' as used in Article V(2) refers to situations requiring action with a marked degree of urgency, but is not limited in its application to circumstances requiring immediate action."

eral permits in accordance with paragraph 1 in respect of matter intended for dumping:

a. loaded in its territory;

b. loaded by a vessel or aircraft registered in its territory or flying its flag, when the loading occurs in the territory of a State not party to this Convention.

3. In issuing permits under sub-paragraphs 1a and b above, the appropriate authority or authorities shall comply with Annex III, together with such additional criteria, measures and requirements as they may consider relevant.

4. Each Contracting Party, directly or through a Secretariat established under a regional agreement, shall report to the Organisation, and where appropriate to other Parties, the information specified in sub-paragraphs c and d of paragraph 1 above, and the criteria, measures and requirements it adopts in accordance with paragraph 3 above. The procedure to be followed and the nature of such reports shall be agreed by the Parties in consultation.

ARTICLE VII

1. Each Contracting Party shall apply the measures required to implement the present Convention to all:

a. vessels and aircraft registered in its territory or flying its flag;

b. vessels and aircraft loading in its territory or territorial seas matter which is to be dumped;

c. vessels and aircraft and fixed or floating platforms under its jurisdiction believed to be engaged in dumping.

2. Each Party shall take in its territory appropriate measures to prevent and punish conduct in contravention of the provisions of this Convention.

3. The Parties agree to cooperate in the development of procedures for the effective application of this Convention particularly on the high seas, including procedures for the reporting of vessels and aircraft observed dumping in contravention of the Convention.

4. This Convention shall not apply to those vessels and aircraft entitled to sovereign immunity under international law. However each party shall ensure by the adoption of appropriate measures that such vessels and aircraft owned or operated by it act in a manner consistent with the object and purpose of this Convention, and shall inform the Organisation accordingly.

5. Nothing in this Convention shall affect the right of each Party to adopt other measures, in accordance with the principles of international law, to prevent dumping at sea.

ARTICLE VIII

In order to further the objectives of this Conven-

tion, the Contracting Parties with common interests to protect the marine environment in a given geographical area shall endeavour, taking into account characteristic regional features, to enter into regional agreements consistent with this Convention for the prevention of pollution, especially by dumping. The Contracting Parties to the present Convention shall endeavour to act consistently with the objectives and provisions of such regional agreements, which shall be notified to them by the Organisation. Contracting Parties shall seek to cooperate with the Parties to regional agreements in order to develop harmonized procedures to be followed by Contracting Parties to the different conventions concerned. Special attention shall be given to cooperation in the field of monitoring and scientific research.

ARTICLE IX

The Contracting Parties shall promote, through collaboration within the Organisation and other international bodies, support for those Parties which request it for:

- a. the training of scientific and technical personnel;
- b. the supply of necessary equipment and facilities for research and monitoring;
- c. the disposal and treatment of waste and other measures to prevent or mitigate pollution caused by dumping;

preferably within the countries concerned, so furthering the aims and purposes of this Convention.

ARTICLE X

In accordance with the principles of international law regarding State responsibility for damage to the environment of other States or to any other area of the environment, caused by dumping of wastes and other matter of all kinds, the Contracting Parties undertake to develop procedures for the assessment of liability and the settlement of disputes regarding dumping.

ARTICLE XI

The Contracting Parties shall at their first consultative meeting consider procedures for the settlement of disputes concerning the interpretation and application of this Convention.

ARTICLE XII

The Contracting Parties pledge themselves to promote, within the competent specialised agencies and other international bodies, measures to protect the marine environment against pollution caused by:

- a. hydrocarbons, including oil, and their wastes;
- b. other noxious or hazardous matter transported by vessels for purposes other than dumping;

c. wastes generated in the course of operation of vessels, aircraft, platforms and other man-made structures at sea;

d. radioactive pollutants from all sources, including vessels;

e. agents of chemical and biological warfare;

f. wastes or other matter directly arising from, or related to the exploration, exploitation and associated off-shore processing of seabed mineral resources.

The Parties will also promote, within the appropriate international organisation, the codification of signals to be used by vessels engaged in dumping.

ARTICLE XIII

Nothing in this Convention shall prejudice the codification and development of the law of the sea by the United Nations Conference on the Law of the Sea convened pursuant to Resolution 2750C (XXV) of the General Assembly of the United Nations nor the present or future claims and legal views of any State concerning the law of the sea and the nature and extent of coastal and flag state jurisdiction. The Contracting Parties agree to consult at a meeting to be convened by the Organisation after the Law of the Sea Conference, and in any case not later than 1976, with a view to defining the nature and extent of the right and the responsibility of a coastal state to apply the Convention in a zone adjacent to its coast.

ARTICLE XIV

1. The Government of the United Kingdom of Great Britain and Northern Ireland as a depositary shall call a meeting of the Contracting Parties not later than three months after the entry into force of this Convention to decide on organisational matters.

2. The Contracting Parties shall designate a competent organisation existing at the time of that meeting to be responsible for secretariat duties in relation to this Convention. Any Party to this Convention not being a member of this Organisation shall make an appropriate contribution to the expenses incurred by the Organisation in performing these duties.

3. The Secretariat duties of the Organisation shall include:

a. the convening of consultative meetings of the Contracting Parties not less frequently than once every two years and of special meetings of the Parties at any time on the request of two-thirds of the Parties;

b. preparing and assisting, in consultation with the Contracting Parties and appropriate international organisations, in the development and implementation of procedures referred to in sub-paragraph 4e of this Article;

c. considering enquiries by, and information from

the Contracting Parties, consulting with them and with the appropriate international organisations, and providing recommendations to the Parties on questions related to, but not specifically covered by the Convention;

d. conveying to the Parties concerned all notifications received by the Organisation in accordance with Articles IV 3, V 1 and 2, VI 4, XIII, XV, XX and XXI.

Prior to the designation of the Organisation these functions shall, as necessary, be performed by the depositary, who for this purpose shall be the Government of the United Kingdom of Great Britain and Northern Ireland.

4. Consultative or special meetings of the Contracting Parties shall keep under continuing review the implementation of this Convention and may, *inter alia*:

a. review and adopt amendments to this Convention and its Annexes in accordance with Article XV;

b. invite the appropriate scientific body or bodies to collaborate with and to advise the Parties or the Organisation on any scientific or technical aspect relevant to this Convention, including particularly the content of the Annexes;

c. receive and consider reports made pursuant to Article VI 4;

d. promote cooperation with and between regional organisations concerned with the prevention of marine pollution;

e. develop or adopt, in consultation with appropriate international organisations, procedures referred to in Article V 2, including basic criteria for determining exceptional and emergency situations, and procedures for consultative advice and the safe disposal of matter in such circumstances, including the designation of appropriate dumping areas, and recommend accordingly;

f. consider any additional action that may be required.

5. The Contracting Parties at their first consultative meeting shall establish rules of procedure as necessary.

ARTICLE XV

1. a. At meetings of the Contracting Parties called in accordance with Article XIV amendments to this Convention may be adopted by a two-thirds majority of those present. An amendment shall enter into force for the Parties which have accepted it on the sixtieth day after two-thirds of the Parties shall have deposited an instrument of acceptance of the amendment with the Organisation. Thereafter the amendment shall enter into force for any other Party 30 days after that Party deposits its instrument of acceptance of the amendment.

b. The Organisation shall inform all Contracting

Parties of any requests made for a special meeting under Article XIV and of any amendments adopted at meetings of the Parties and of the date on which each such amendment enters into force for each Party.

2. Amendments to the Annexes will be based on scientific or technical considerations. Amendments to the Annexes approved by a two-thirds majority of those present at a meeting called in accordance with Article XIV shall enter into force for each Contracting Party immediately on notification of its acceptance to the Organisation and 100 days after approval by the meeting for all other Parties except for those which before the end of the 100 days make a declaration that they are not able to accept the amendment at that time. Parties should endeavour to signify their acceptance of an amendment to the Organisation as soon as possible after approval at a meeting. A Party may at any time substitute an acceptance for a previous declaration of objection and the amendment previously objected to shall thereupon enter into force for that Party.

3. An acceptance or declaration of objection under this Article shall be made by the deposit of an instrument with the Organisation. The Organisation shall notify all Contracting Parties of the receipt of such instruments.

4. Prior to the designation of the Organisation, the Secretariat functions herein attributed to it, shall be performed temporarily by the Government of the United Kingdom of Great Britain and Northern Ireland, as one of the depositaries of this Convention.

ARTICLE XVI

This Convention shall be open for signature by any State at London, Mexico City, Moscow and Washington from 29 December 1972 until 31 December 1973.

ARTICLE XVII

This Convention shall be subject to ratification. The instruments of ratification shall be deposited with the Governments of Mexico, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, and the United States of America.

ARTICLE XVIII

After 31 December 1973, this Convention shall be open for accession by any State. The instruments of accession shall be deposited with the Governments of Mexico, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, and the United States of America.

ARTICLE XIX

1. This Convention shall enter into force on the thirtieth day following the date of deposit of the

fifteenth instrument of ratification or accession.

2. For each Contracting Party ratifying or acceding to the Convention after the deposit of the fifteenth instrument of ratification or accession, the Convention shall enter into force on the thirtieth day after deposit by such Party of its instrument of ratification or accession.

ARTICLE XX

The depositaries shall inform Contracting Parties:

a. of signatures to this Convention and of the deposit of instruments of ratification, accession or withdrawal, in accordance with Articles XVI, XVII, XVIII and XXI; and

b. of the date on which this Convention will enter into force, in accordance with Article XIX.

ARTICLE XXI

Any Contracting Party may withdraw from this Convention by giving six months' notice in writing to a depositary, which shall promptly inform all Parties of such notice.

ARTICLE XXII

The original of this Convention, of which the English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Governments of Mexico, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America who shall send certified copies thereof to all States.

IN WITNESS WHEREOF the undersigned Plenipotentiaries, being duly authorized thereto by their respective Governments have signed the present Convention.

DONE at _____ this _____ day of _____ 1972.

Texts of Annexes

ANNEX I

1. Organohalogen compounds.
2. Mercury and mercury compounds.
3. Cadmium and cadmium compounds.
4. Persistent plastics and other persistent synthetic materials, for example, netting and ropes, which may float or may remain in suspension in the sea in such a manner as to interfere materially with fishing, navigation or other legitimate uses of the sea.

5. Crude oil, fuel oil, heavy diesel oil, and lubricating oils, hydraulic fluids, and any mixtures containing any of these, taken on board for the purpose of dumping.

6. High-level radioactive wastes⁴ or other high-level radioactive matter, defined on public health,

biological or other grounds, by the competent international body in this field, at present the International Atomic Energy Agency, as unsuitable for dumping at sea.

7. Materials in whatever form (e.g., solids, liquids, semi-liquids, gases or in a living state) produced for biological and chemical warfare.

8. The preceding paragraphs of this Annex do not apply to substances which are rapidly rendered harmless by physical, chemical or biological processes in the sea provided they do not:

- (i) make edible marine organisms unpalatable, or

- (ii) endanger human health or that of domestic animals.

The consultative procedure provided for under Article XIV should be followed by a Party if there is doubt about the harmlessness of the substance.

9. This Annex does not apply to wastes or other materials (e.g., sewage sludges and dredged spoils) containing the matters referred to in paragraphs 1-5 above as trace contaminants.⁵ Such wastes shall be subject to the provisions of Annexes II and III as appropriate.

⁴The U.S. delegation submitted the following interpretive statement: "With reference to Item 6 on Annex I, the United States wishes to note that there is no internationally accepted definition of 'high level radioactive wastes'. The United States defines high level radioactive wastes as aqueous wastes resulting from the operation of the first cycle solvent extraction system, or equivalent, and the concentrated wastes from subsequent extraction cycles, or equivalent, in a facility for reprocessing irradiated reactor fuels. Until an internationally accepted definition is negotiated under the auspices of the International Atomic Energy Agency, the United States plans to govern its activities on the basis of the definition stated herein."

⁵As a separate action, the London meeting adopted the following Technical Memorandum of Agreement of the Conference: "The Conference agreed, on the advice of the Technical Working Party, that for a period of five years from the date when the present Convention comes into effect, wastes containing small quantities of inorganic compounds of mercury and cadmium, solidified by integration into concrete, may be approximately classified as wastes containing these substances as trace contaminants as mentioned in paragraph 9 of Annex I to the Convention but in these circumstances such wastes may be dumped only in depths of not less than 3500 metres in conditions which would cause no harm to the marine environment and its living resources. When the Convention comes into effect, this method of disposal, which will be used for not longer than five years, will be subject to the relevant provisions of Article XIV 4."

ANNEX II

The following substances and materials requiring special care are listed for the purposes of Article VI 1a.

A. Wastes containing significant amounts of the matters listed below:

arsenic)
lead)
copper) and their compounds
zinc)
organosilicon compounds
cyanides
fluorides
pesticides and their by-products not covered in Annex I.

B. In the issue of permits for the dumping of large quantities of acids and alkalis, consideration shall be given to the possible presence in such wastes of the substances listed in paragraph A and to the following additional substances:

beryllium)
chromium)
nickel) and their compounds
vanadium)

C. Containers, scrap metal and other bulky wastes liable to sink to the sea bottom which may present a serious obstacle to fishing or navigation.

D. Radioactive wastes or other radioactive matter not included in Annex I. In the issue of permits for the dumping of this matter, the Contracting Parties should take full account of the recommendations of the competent international body in this field, at present the International Atomic Energy Agency.

ANNEX III

Provisions to be considered in establishing criteria governing the issue of permits for the dumping of matter at sea, taking into account Article IV 2 include:—

A. CHARACTERISTICS AND COMPOSITION OF THE MATTER

1. Total amount and average composition of matter dumped (e.g., per year).
2. Form (e.g., solid, sludge, liquid, or gaseous).
3. Properties: physical (e.g., solubility and density), chemical and biochemical (e.g., oxygen demand, nutrients) and biological (e.g., presence of viruses, bacteria, yeasts, parasites).
4. Toxicity.
5. Persistence: physical, chemical and biological.
6. Accumulation and biotransformation in biological materials or sediments.
7. Susceptibility to physical, chemical and biochemical changes and interaction in the aquatic environment with other dissolved organic and inorganic materials.

environment with other dissolved organic and inorganic materials.

8. Probability of production of taints or other changes reducing marketability of resources (fish, shellfish, etc.).

B. CHARACTERISTICS OF DUMPING SITE AND METHOD OF DEPOSIT

1. Location (e.g., co-ordinates of the dumping area, depth and distance from the coast), location in relation to other areas (e.g., amenity areas, spawning, nursery and fishing areas and exploitable resources).

2. Rate of disposal per specific period (e.g., quantity per day, per week, per month).

3. Methods of packaging and containment, if any.

4. Initial dilution achieved by proposed method of release.

5. Dispersal characteristics (e.g., effects of currents, tides and wind on horizontal transport and vertical mixing).

6. Water characteristics (e.g., temperature, pH, salinity, stratification, oxygen indices of pollution—dissolved oxygen (DO), chemical oxygen demand (COD), biochemical oxygen demand (BOD)—nitrogen present in organic and mineral form including ammonia, suspended matter, other nutrients and productivity).

7. Bottom characteristics (e.g., topography, geochemical and geological characteristics and biological productivity).

8. Existence and effects of other dumpings which have been made in the dumping area (e.g., heavy metal background reading and organic carbon content).

9. In issuing a permit for dumping, Contracting Parties should consider whether an adequate scientific basis exists for assessing the consequences of such dumping, as outlined in this Annex, taking into account seasonal variations.

C. GENERAL CONSIDERATIONS AND CONDITIONS

1. Possible effects on amenities (e.g., presence of floating or stranded material, turbidity, objectionable odour, discolouration and foaming).

2. Possible effects on marine life, fish and shellfish culture, fish stocks and fisheries, seaweed harvesting and culture.

3. Possible effects on other uses of the sea (e.g., impairment of water quality for industrial use, underwater corrosion of structures, interference with ship operations from floating materials, interference with fishing or navigation through deposit of waste or solid objects on the sea floor and protection of areas of special importance for scientific or conservation purposes).

4. The practical availability of alternative land-based methods of treatment, disposal or elimination, or of treatment to render the matter less harmful for dumping at sea.

United States and Japan Renegotiate North Pacific Fishery Agreements

Press release 291 dated November 27

Representatives of the United States and Japan concluded renegotiation on November 27 of two fishery agreements dealing primarily with fishing in the Northeastern Pacific Ocean and Bering Sea and initialed recommendations to their governments. Ambassador Donald L. McKernan, Coordinator of Ocean Affairs and Special Assistant to the Secretary, initialed for the United States, and Mr. Yutaka Nomura, Counselor of the Embassy of Japan, initialed for Japan.

The fishing agreement, first signed in 1967, provides that Japan will continue to refrain from fishing within the nine-mile contiguous fishery zone of the United States except in certain selected areas, primarily off the Aleutian Islands of Alaska.

In return for the privilege of fishing within the contiguous zone of the United States, the Japanese have agreed to refrain from fishing in certain areas of the high seas off Alaska during certain periods of the year in order to avoid conflicts with American fishermen arising out of differences in types of fishing gear.

The major changes in the fishing agreement involve changes in the seasons when Japanese fishing is permitted both within the U.S. 12-mile limit and also in those areas outside 12 miles on the high seas adjacent to the U.S. coast.

The growth of U.S. fishing in Alaska has made changes necessary in the seasons of fishing by the large Japanese fishery both within the 12-mile limit of the United States and in the zones outside 12 miles on the high seas. In return Japan was given certain new privileges to use the contiguous fishery zone in the Aleutian Islands to load and unload fish and supplies.

The second agreement involves the fishery for king and tanner crab in the Bering Sea. This fishery has been important to both the

United States and Japan, and in recent years the U.S. fishery has expanded substantially in Bering Sea waters. The new agreement differs from the past agreement in that it reduces Japanese fishing in the southeastern Bering Sea by about 70 percent on both king crab and tanner crab. It does permit Japan to continue to develop fisheries for these two species in the area to the north and west of the Pribilof Islands. This is an area that is not used by the United States but apparently contains substantial quantities of tanner crab. The changes in this agreement mean that the U.S. fishermen will gain greater control of the king and tanner crab resources of the southeastern Bering Sea, resources which the United States claims belong to the United States by virtue of their being "creatures of the shelf" under the 1958 Continental Shelf Convention.

The two nations also emphasized the need to refrain from polluting the waters of the Bering Sea and Northeastern Pacific and to avoid dumping undesirable products from fishing vessels into those waters.

From the U.S. point of view an important change in the agreements provides for increased enforcement by both nations and better observation of the conduct of fishing by U.S. enforcement officials. U.S. enforcement officials have complained in the past that the agreements did not provide for adequate observation of Japanese fishing operations to insure that the agreements were being complied with. The new agreements improve the opportunities for observation of the conduct of enforcement, including the opportunity for enforcement officials of both nations to work together and observe enforcement procedures of both countries.

U.S. negotiators believe that the current agreements have significantly strengthened the U.S. position that it has a special interest in high seas resources adjacent to its coast and that improved conservation measures are needed to protect these resources for U.S. fishermen. In addition, the

reduction of catch by Japanese crab vessels in the southeastern Bering Sea insures the opportunity for U.S. officials to better conserve the resources and for the U.S. fishermen to use these resources, which are claimed by the United States.

Current Actions

MULTILATERAL

Astronauts

Agreement on the rescue of astronauts, the return of astronauts, and the return of objects launched into outer space. Opened for signature at Washington, London, and Moscow April 22, 1968. Entered into force December 3, 1968. TIAS 6599.

Ratification deposited: Laos, November 29, 1972.

Atomic Energy

Amendment of article VI of the statute of the International Atomic Energy Agency of October 26, 1956, as amended (TIAS 3873, 5284). Done at Vienna September 28, 1970.¹

Acceptance deposited: Greece, November 29, 1972.

Aviation

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971.¹

Signature: Cyprus, November 28, 1972.

Copyright

Universal copyright convention, as revised. Done at Paris July 24, 1971.¹

Ratifications deposited: France, September 11, 1972; Hungary, September 15, 1972; United States, September 18, 1972.²

Protocol 1 annexed to the universal copyright convention, as revised, concerning the application of that convention to works of stateless persons and refugees. Done at Paris July 24, 1971.¹

Ratifications deposited: France, September 11, 1972; United States, September 18, 1972.

Protocol 2 annexed to the universal copyright convention, as revised, concerning the application of that convention to the works of certain international organizations. Done at Paris July 24, 1971.¹

Ratifications deposited: France, September 11, 1972; Hungary, September 15, 1972; United States, September 18, 1972.

¹ Not in force.

² Applicable to Guam, the Panama Canal Zone, Puerto Rico, and the Virgin Islands.

Cultural Property

Convention on the means of prohibiting and preventing the illicit import, export, and transfer of ownership of cultural property. Adopted at Paris November 14, 1970. Entered into force April 24, 1972.³

Ratification deposited: Khmer Republic, September 26, 1972.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna April 18, 1961. Entered into force April 24, 1964; for the United States December 13, 1972.

Proclaimed by the President: November 24, 1972.

Optional protocol to the Vienna convention on diplomatic relations concerning the compulsory settlement of disputes. Done at Vienna April 18, 1961. Entered into force April 24, 1964; for the United States December 13, 1972.

Proclaimed by the President: November 24, 1972.

Fisheries

Protocol to the international convention for the Northwest Atlantic fisheries (TIAS 2089), relating to panel membership and to regulatory measures. Done at Washington October 1, 1969. Entered into force December 15, 1971.

Proclaimed by the President: November 29, 1972.

Postal Matters

Constitution of the Postal Union of the Americas and Spain, general regulations with final protocol, and convention with final protocol and regulations of execution. Done at Santiago November 26, 1971. Entered into force July 1, 1972. TIAS 7480.

Ratification deposited: United States, November 20, 1972.

Parcel post agreement, final protocol, and regulations of execution of the Postal Union of the Americas and Spain. Done at Santiago November 26, 1971. Entered into force July 1, 1972. TIAS 7480.

Ratification deposited: United States, November 20, 1972.

Postal money order agreement and final protocol of the Postal Union of the Americas and Spain. Done at Santiago November 26, 1971. Entered into force July 1, 1972. TIAS 7480.

Ratification deposited: United States, November 20, 1972.

Safety at Sea

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London November 26, 1968, and October 21, 1969.¹

Acceptance deposited: United States, November 22, 1972.

Satellite Communications System

Agreement relating to the International Telecom-

³ Not in force for the United States.

munications Satellite Organization (Intelsat), with annexes. Done at Washington August 20, 1971.¹

Ratifications deposited: Denmark, Greece, November 29, 1972; Spain, November 30, 1972.

Space

Treaty on principles governing the activities of states in the exploration and use of outer space, including the moon and other celestial bodies. Opened for signature at Washington, London, and Moscow January 27, 1967. Entered into force October 10, 1967. TIAS 6347.

Ratification deposited: Laos, November 29, 1972.

Telecommunications

Partial revision of the 1959 radio regulations, as amended (TIAS 4893, 5603, 6332, 6590), on space telecommunications, with annex. Done at Geneva July 17, 1971. Enters into force January 1, 1973. TIAS 7435.

Notifications of approval: Denmark, September 8, 1972; Venezuela, September 6, 1972.

BILATERAL

Argentina

Treaty on extradition. Signed at Washington January 21, 1972. Entered into force September 15, 1972.

Proclaimed by the President: November 29, 1972.

Brazil

Agreement concerning shrimp, with annexes, agreed minute, and exchanges of notes. Signed at Brasilia May 9, 1972.¹

Ratified by the President: November 29, 1972.

Jordan

Agreement relating to radio communications between amateur stations on behalf of third parties. Effected by exchange of notes at Washington November 13 and 30, 1972. Enters into force December 30, 1972.

Korea

Agreement for cooperation concerning civil uses of atomic energy, with appendix. Signed at Washington November 24, 1972. Enters into force on the date on which each government shall have received from the other written notification that it has complied with all statutory and constitutional requirements for entry into force.

Switzerland

Agreement concerning the status, privileges, and immunities of the Strategic Arms Limitation

Talks delegation in Switzerland, with annex. Effected by exchange of notes at Bern November 21 and 22, 1972. Entered into force November 22, 1972.

Union of Soviet Socialist Republics

Agreement regarding certain maritime matters, with annexes and exchanges of letters. Signed at Washington October 14, 1972.

Entered into force: November 22, 1972.

PUBLICATIONS

Department Releases 10th Volume of New Compilation of Treaties

Press release 286 dated November 17

The Department of State released on November 17 the 10th volume in its new series *Treaties and Other International Agreements of the United States of America 1776-1949*. The series is compiled under the direction of Assistant Legal Adviser Charles I. Bevans.

Volume 10 contains the texts of bilateral treaties concluded between the United States and Nepal, the Netherlands, New Zealand, Nicaragua, Norway, the Orange Free State, the Ottoman Empire, Pakistan, Palestine, Panama, Paraguay, the Peru-Bolivian Confederation, and Peru prior to 1950. The current status of the agreements is recorded in headnotes and footnotes.

The first four volumes in the Bevans series contain multilateral treaties and other agreements entered into during the period covered. The volumes that follow contain bilateral agreements grouped alphabetically by country. Two volumes not yet released will contain the remaining bilateral agreements and a comprehensive index. Treaties and other international agreements concluded since 1950 are published in the statutory volumes *United States Treaties and Other International Agreements*.

Copies of volumes 1 through 10 of the Bevans series are for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (price: vol. 1, \$8.50; vol. 2, \$10.25; vol. 3, \$11.75; vol. 4, \$8.25; vol. 5, \$9.75; vol. 6, \$11.00; vol. 7, \$11.00; vol. 8, \$11.00; vol. 9, \$11.00; vol. 10, \$11.00).

¹ Not in force.

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No.	Date	Subject
291	11/27	U.S.-Japan North Pacific fisheries agreements.
†292	11/28	International conference on wildlife conservation to convene in February.
293	11/30	Secretary Rogers inaugurates new Operations Center.
†294	11/29	Armstrong: World Trade Institute, New York, Nov. 28.
295	11/30	Porter: 168th plenary session on Viet-Nam at Paris.
†296	12/1	Agreed principles for North Atlantic charter flights.
†297	12/1	U.S.-Mexico Joint Trade Committee meeting.

† Held for a later issue of the BULLETIN.

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THE
DEPARTMENT
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STATE

BULLETIN

Vol. LXVII, No. 1748



December 25, 1972

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INSURING A HEALTHY AND VIGOROUS UNITED NATIONS

*Statement by Ambassador Bush
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Vol. LXVII, No. 1748

December 25, 1972

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service.

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A New Era for East-West Trade

Address by Willis C. Armstrong

*Assistant Secretary for Economic and Business Affairs*¹

Being asked to be a keynote speaker conveys heavy responsibilities. The wrong note may set off discord. Too loud and clear a note may oversimplify the issues and deafen those who may want to learn about the problem. Too soft a note may disguise the fact that something has really happened to change the East-West trade scene and the reason we are in what the organizers of this meeting call a new era.

It is a new era for the United States, and it may well be a new era for the Soviet Union. And let us not fail to recognize that the key relationship in this entire matter is the one between the United States and the U.S.S.R. If the two largest world powers are talking to each other at many levels and in many fields, trading with each other, and finding joint solutions to problems, the state of world politics is in fact different from what it has been for more than a couple of decades. It is particularly suitable for a gathering of this kind to include representatives of the U.S.S.R. and other governments of eastern Europe. It is a privilege for me to be with you, since my responsibilities include all facets of international economic relations and since my first seven years of service with the U.S. Government, from 1939 to 1946, were exclusively concerned with relations with the Government of the U.S.S.R.

It was one year ago, almost to the day, that then-Secretary of Commerce [Maurice] Stans, following his meeting with Premier Kosygin, handed to Foreign Trade Minister [Nikolay S.] Patolichev a letter of understanding that listed the issues we saw standing in the way of a healthy and normalized economic relationship.

Eleven months of intermittent but intensive negotiations followed upon Secretary Stans' letter. We took the hard way, not only solving the old, time-encrusted problems but also seeking out new approaches to developing East-West trade.

What could be sensed throughout the negotiations, however, was that both countries felt that the time had finally come to remove the debris resulting from World War II and the decades of so-called cold war that followed. On our side we were optimistic that we could achieve the ambitious goal we had set. One may well ask "Why?" Fundamentally it was because President Nixon's visit to Moscow and his policy of opening a meaningful dialogue corresponded to the basic interests of both countries and was reciprocated by the leaders of the Soviet Union.

Setting aside shipping questions for the moment, the key problems we faced were two:

1. Whether some new agreed formula could be found to settle the stubborn problem of our lend-lease account which would be equitable to both sides. Without such a formula, credits from the U.S. side would be impossible.

¹ Made before the World Trade Institute of the World Trade Center at New York, N.Y., on Nov. 28 (press release 294 dated Nov. 29).

2. Whether some formula could be found to deal with the structural asymmetry of trade between a market and a state-trading economy.

For both countries, lend-lease carried with it a heavy baggage of history and earlier negotiations which had not succeeded. For the U.S.S.R. it was painful to discuss reimbursement for wartime goods that the Soviet people felt had been paid for with the blood of millions in World War II. For the United States, it represented the need to settle a legitimate claim for goods used in the Soviet postwar civil economy—a claim identical to those which all our other allies had settled—to clear the books before new transactions were undertaken.

Provisions of U.S.-U.S.S.R. Trade Agreement

On the trade agreement, we needed to secure a balance of concessions.² When market countries, operating under similar tariff systems, get together to do this as in the Kennedy and Dillon rounds [of tariff negotiations sponsored by the General Agreement on Tariffs and Trade], it is difficult enough to achieve this balance; but at least we have quantitative methods of trying to arrive at it.

With a state-trading nation, especially a nation that is one of the great industrial and trading nations of the world, the problem is more complex. The extension of most-favored-nation tariff treatment by the United States opens up the most prosperous and dynamic market in the world. It opens this market without quota restrictions against individual countries and with across-the-board import restrictions on only a small range of sensitive commodities.

Of course we secure in return MFN treatment from the Soviet Union, but in itself, this is of limited value. Under a centrally directed foreign trade regime, price, credit,

quality, and delivery terms may well be the main factors in import decisions, but this is not clearly demonstrable to outsiders. Other factors may also prevail—political aspects or bilateral trading obligations toward other nations, for example.

Conversely, in dealing with imports from a state-trading nation, we can never be certain that the import price reflects true costs, because of the fundamentally different accounting and pricing methods used and because of the essential separation between its domestic and external economies.

To find full balance in the concessions of this trade, one must look at other clauses. For example, there are the provisions looking toward a tripling of U.S.-U.S.S.R. trade over the three-year term of the agreement and the provisions protecting the United States against disruptive imports. My personal prediction is that we will easily exceed our goal in increasing the two-way trade, even if we leave aside the unusual and immense grain movements now underway. Since the bilateral exchange normally favors the United States by a ratio of three to one, and this year is running at five to one, it is evident that a new higher level of trade will be greatly to the benefit of the United States exporters.

Concerning the market disruption clause, it is highly important to have spelled out in detail the procedures for consultation so that we can remedy any serious situation that may arise. I would also venture to predict that it will not be necessary to resort to this clause during the initial life of the agreement. As Secretary [of Commerce Peter G.] Peterson remarked, the immediate problem will be locating Soviet goods which will find good markets in the U.S.A.

Over the longer term, with American companies, like Pepsi, entering into cooperation agreements and lending their marketing expertise, we can expect this problem to disappear. Some of our companies may have some ideas that will benefit the Soviet consumer in other ways and at the same time increase our consumer choices here.

² For text of the U.S.-U.S.S.R. agreement regarding trade signed at Washington on Oct. 18, see BULLETIN of Nov. 20, 1972, p. 595.

Prospects for Two-Way Trade

It seems that nearly every time we open the Wall Street Journal or turn to the financial section of the Times, we find a major new project with the U.S.S.R. discussed or announced. We gain the sense of having been propelled into a completely new economic dimension as a result of the dramatic series of agreements last month.

It is essential to keep our exuberance within bounds. What we have achieved is not a special relationship with the U.S.S.R. We in the U.S. Government have simply taken the necessary steps to remove some of the restrictions that hampered this trade. The agreements are not preferential. They will do no more than permit American firms to compete on a more equal footing with other Western firms for business in the Soviet Union. Furthermore, the extension of MFN requires congressional action.

The experienced traders with Russia have cautioned about the difficulties, disappointments, the need for patience and persistence. Knowing some of the equipment and technology that the Soviets need, I am sure that American business is well placed to bid strongly. But the orders will not flow to us automatically. We have not been promised a clear road by our Soviet friends, who will of course be the same tough commercial negotiators they have been in the past.

A rough calculation of what East-West trade might be next year may be derived by extrapolating from nine months of trade in 1972, adding normal growth of trade in 1973, and projecting the extra impetus of the factors introduced by the agreements reached by the U.S.A. with the U.S.S.R. and Poland this year. This does not take full account of grain movements to the U.S.S.R., which will probably be very large indeed in the first half of 1973, because we must assume that a large part of this trade is of a one-time nature.

With all the necessary caveats, the total for our two-way trade with eastern Europe, the U.S.S.R., and the People's Republic of China in 1973 comes out to possibly \$1.3 bil-

lion. This would be an impressive amount, double the 1971 figure. In terms of our worldwide two-way trade, however, it would still be down around 1.2 percent, approximately the same as the share of our trade we conduct with Switzerland or Spain.

Improved Political Climate

One of the special problems for the United States in doing business with Communist countries is our tendency to speculate on the relationship of trade to politics. In part the Federal Government can be blamed, in part Congress, and in part public opinion. Today we find ourselves in a political climate greatly improved over 1969, when President Nixon took office and pledged himself to substitute negotiation for confrontation. The success of the Moscow summit, the SALT [Strategic Arms Limitation Talks] negotiations, the quadripartite agreement on Berlin, the talks between West and East Germany, progress in seeking peaceful solutions to acute world problems—all have contributed to the fact that the trade negotiations were able to proceed with remarkably few intrusions of extraneous pressures.

What you as businessmen are seeking, however, is the promise of future stability in Soviet-U.S. relations. You need to make long-term business plans and commitments which are risky enough without having to take account of an inherently unmeasurable political factor. This is the same argument we heard from the Soviet trade officials during the negotiations. They, too, insist on a stable future if they are to hinge their industrial buildup on American technology and their export production plans on the U.S. market.

What has caused the sudden surge of interest by U.S. firms in trade with the East and the rush to make new contacts? It cannot be only the trade targets or the market disruption clauses or business facilities provisions. It must be the perception that these economic agreements demarcate a new spirit of U.S. Government encouragement for East-West trade, one which has found wide

public support and one which is based on improved mutual understanding between the two governments.

The best clues about the political future can be found in the results of the Moscow summit last May and in the text of basic principles signed there.³ President Nixon insisted from the first that if these talks were to be held, they must produce practical results. In fact, a remarkable range of accords was concluded, not just the SALT agreements on nuclear weapons and the establishment of the Joint Commercial Commission but also agreements on environment, medical science, space cooperation, and science and technology. These programs are leading us into a stage of practical forms of intimate cooperation with the Soviet Union for years ahead. They constitute a framework of interlocking agreements to build a vested interest on both sides in reducing tensions and freeing us from confrontation.

Potentially of even higher importance are the first four clauses of the text of basic principles signed by General Secretary Brezhnev and President Nixon. These clauses set a standard of international conduct which, if respected by both sides, will be a tremendous step toward world security.

The document pledges both nations to do their utmost to prevent situations that could increase international tension, lead to military confrontation and the outbreak of nuclear war. It pledges them not to seek unilateral advantage at the expense of the other and to remove the threat or use of force.

The pledges by the United States and the Soviet Union are not perfect guarantees against future political tensions and crises. There remain too many underlying differences and issues to promise this. But they do constitute recognition by both countries that mutual accommodation is a necessity in an age of nuclear weapons.

³For text of the basic principles of relations signed at Moscow on May 29 by President Nixon and General Secretary of the Soviet Communist Party Leonid I. Brezhnev, see BULLETIN of June 26, 1972, p. 898.

These are major steps by the governments to reduce the political element in trade relations. We will be taking others. We will give a hand to plans for industrial cooperation that will join us in long-term raw material extractive projects. The mutual interest in insulating these investments against ephemeral political bumps and jolts is self-evident.

The effort to limit the political factor in our economic relations is bound to be a long-term one. It requires a degree of political maturity on the part of the public. And it calls for restraint in international conduct on the side of the trading partners.

I would like to add a few comments about trade relations with the other east European countries. It is too early to say just how rapidly we will repair differences that can be traced back to the political upheavals and tensions of the post-1945 cold war period. We have made a good beginning. In September, Poland made an interim offer to American bondholders, and in early November we entered into new undertakings that include Eximbank credits, a target of tripling trade over the next five years, and an increase in Polish industrial purchases in the United States to \$150 million.

Our war damage and nationalization claims against Hungary were the subject of an agreement initialed in September. The Hungarians have also opened negotiations with American bondholders. We have in 1972 signed aviation agreements with Hungary and Poland. We received a Czechoslovak trade delegation in Washington this fall, and we are looking forward to a similar group from Bulgaria. We supported legislation that would permit an exchange of most-favored-nation treatment with Romania, but it did not get through Congress in the last session. Nevertheless, the trade level is rising, Eximbank loans have been approved, and OPIC [Overseas Private Investment Corporation] guarantees are available. The recent action by the Romanian Government to permit 49 percent foreign ownership will open interesting joint venture possibilities.

I want to say a few words about the specific help we can offer American businessmen in investigating market possibilities in eastern Europe. I don't want to duplicate or anticipate what Steve Lazarus [Deputy Assistant Secretary and Director, Bureau of East-West Trade, Department of Commerce] may want to say later this morning on the major effort involved in the Commerce Department program in Washington, which should be of great help to American business.

We have a small but effective group of Foreign Service officers doing commercial work in our east European embassies—in the front lines, so to speak. The traffic in visiting businessmen is building up. But in most of our posts we are still able to lend personalized help. They can accomplish a good deal with a small staff because, under the centralized trade system prevalent in the area, they deal with a limited number of foreign agencies, ministries, and chambers of commerce which are usually right at hand in the capital city. Our people can help lead you to the right officials; they can make appointments so your time will be efficiently spent. They do a tremendous amount of preparatory work for government and privately sponsored trade missions. To the extent possible, our economic staffs will make preliminary inquiries about the potential market for a given product and give you some basis for judging whether a selling trip will be worthwhile.

If you pay a visit to eastern Europe, I hope you will remember to call at our embassies. You are certain to obtain personal advice and information about industrial projects and hints on local marketing techniques that will help you. There should be an exchange of information. The embassies need to learn about your experiences, the contacts you have made, and the export possibilities you have learned about, so they can do their job better. Their job is to help you do business, not to hinder you in any way.

Early this month we opened the first trade information office in eastern Europe, in

Warsaw. Commerce is funding this new office, but much credit also goes to our people in Warsaw, including former Ambassadors [John A.] Gronouski and [Walter J.] Stoessel, who have been urging this step for four years, before East-West trade became so stylish. The trade office will have company catalogues and directories, visual aids and equipment for visiting businessmen, desk space, and perhaps a small exhibit area.

Sometime in 1973, I expect, we will be able to open a similar office in Moscow if we get the real estate problems cleared away.

We shall be seeking funds from Congress in a budget jointly prepared by State and Commerce to step up our commercial programs worldwide. Without waiting for this, we have been juggling positions so we could put some additional commercial manpower into eastern Europe. We recently added a fourth officer in Moscow. We are putting a second commercial officer into Budapest and expanding the commercial section in Bucharest. We are hiring a commercial specialist locally in Prague.

We are shifting our budget priorities and Commerce is undertaking its new programs because we think this is the time for American business to make its move in eastern Europe. We have spent 20 years of erecting discriminatory walls around this trade, allowing western European firms to gain a dominant position. American assets, as we now reappear in the commercial arena, include a technological and management edge, a scale of operation that is large enough to be suited to the massive investment approach of the planned economies, and a reputation for a little extra dynamism and imagination.

The government's attitude, heretofore ambiguous, is now one of encouragement. We are expanding our services to give you every possible support in promoting this market. We are moving to normalize the conditions of East-West trade. But the real test of the long-term potential of this market will be faced by the individual businessman. His perseverance and flexibility in dealing with the unique commercial challenges of the

Eastern countries will be the real determinant of whether this trade becomes anything more than a marginal factor in the total picture.

Governments like the U.S.S.R. and others in eastern Europe conduct trade on their own behalf. The U.S. Government's role must be one of encouragement, control where necessary, supplementary financing and communication facilities, and advice as expert as we can make it. We're a little out of practice, and we may need some new techniques, but by full cooperation between government and American business, we can all serve the national interest.

U.S. and U.S.S.R. Sign Agreement on Chancery Construction

The Department of State announced on December 4 (press release 298) that an agreement between the United States and the Soviet Union on the conditions of construction of complexes of embassy buildings in Washington and Moscow had been signed that day at Washington by Walter J. Stoessel, Jr., Assistant Secretary for European Affairs, and Anatoliy F. Dobrynin, Ambassador of the Soviet Union to the United States. The continuing expansion of U.S.-Soviet relations has made increasingly urgent the mutual need to obtain new embassy quarters in Moscow and Washington, a need that had already been recognized by both sides for a number of years. (For text of the agreement, see press release 298.)

The agreement was made in accordance with the agreement for the reciprocal allocation of plots of land for the construction of embassy buildings which was signed at Moscow May 16, 1969. At that time it was agreed that the United States will receive an 85-year lease free of charge for a 10.4-acre plot on Konyushkovskaya Street between our present chancery and the Moscow River and an assurance that an adjacent half-acre park would remain free of construction. It was also agreed that we will continue to

lease the Ambassador's present residence at Spaso House, located on a 1.55-acre site. In exchange, the United States agreed to lease to the Soviet Union for 85 years free of charge the area formerly occupied by the Mount Alto Veterans Hospital (12.58 acres).

The 1969 agreement provided that the exchange of leases would take place only after both sites were cleared and acceptable as ready for construction. We expect that this exchange will take place shortly.

The tentative plans for our embassy in Moscow call for a complex of buildings to house the chancery and some of the staff. Congressional appropriations must, of course, be sought for the project. The architects of the new U.S. Embassy are the San Francisco branch of Skidmore, Owings and Merrill in collaboration with Gruzen and Partners.

The present agreement calls for the following:

—Both sides will comply with the zoning, construction, and safety regulations of the other side.

—The final design plans of both sides are subject to review by the appropriate authorities of the other side. In the U.S. case this means the National Capital Planning Commission. In the Soviet case this means the appropriate planning authorities of the Moscow City Soviet (council).

—The maximum height applicable to our Konyushkovskaya Street site in Moscow will permit buildings of approximately 12 stories. The height restrictions applicable to the Soviet Mount Alto site in Washington will permit buildings of approximately nine to 12 stories, depending upon where the Soviets build on that site.

—The parties will agree to the extent possible on target dates for the completion of the buildings. All buildings, except chanceries, may be occupied and put to their designated use upon completion. Chanceries will be occupied simultaneously at a date to be agreed upon by the two sides.

—Each side will develop its own design project and detailed plans.

—The basic site preparation, excavation,

foundation, and building frame will be erected by a construction firm of the host country employing materials available in that country.

—Each side has the right to furnish its own materials and manpower to do the exterior facing of the building, final roof covering, and all the interior finishing, including electrical wiring, plumbing, and equipment.

—Under this arrangement the U.S. Government will be its own general contractor, in the sense that it will contract both with Soviet building enterprises and American firms as required. We do not know what the Soviet intentions are.

—Duty-free importation of construction materials and equipment as required for that work done by each country from its own or third-country sources will be permitted.

—Both sides will have the right to unrestricted access to the sites for the purposes of exercising technical control and supervision. However, during the final stage of interior finishing work, the side for which the buildings are being constructed will control the access to the buildings.

President Nixon Exchanges Greetings With President of Ivory Coast

Following is an exchange of remarks between President Nixon and Felix Houphouet-Boigny, President of the Republic of Ivory Coast, in a telephone call November 27 inaugurating service via a ground station near Abidjan. President Houphouet-Boigny spoke in French.

Weekly Compilation of Presidential Documents dated December 4

President Houphouet-Boigny: Mr. President, the inauguration of our land station for communications, following the example set by your great country, gives me the occasion to reiterate our gratitude for the contribution you have made to our development, and the inauguration of the Kossou Dam last week in the presence of your per-

sonal representative gave a visible demonstration of the personal interest that you have shown in our development. The people of Ivory Coast will never forget this.

I also wish to avail myself of this opportunity to express our appreciation for your persistent search for a peace that is real, just, and lasting, and I express the aspirations of all people in voicing the hope that these efforts will be successful, that you will have good help and the protection of the Everlasting.

President Nixon: Mr. President, I greatly appreciate the opportunity to talk to you personally by telephone through this historic new satellite communication. While I have not had the opportunity of meeting you personally, my wife still speaks of her very warm memories of the wonderful welcome she received when she was in Ivory Coast last year.

On my own visit to Ivory Coast during the 1960's, I was enormously impressed by the economic progress, by the tremendous development of your country. Mrs. Nixon reported to me, and other friends, like Edgar Kaiser, who was recently in your country, that the Ivory Coast is one of the finest examples in the world of a new country making great economic progress under dynamic leadership of its President.

I can assure you, Mr. President, that during the remainder of my term of office, these next four years, that you can always count on not only the U.S. Government to cooperate with your government for progress for both of our people, but you can count on my personal interest in your country and in your own success, because peace, greater opportunity, progress, justice for all people in the world, wherever they may live, is our common goal. I look forward to working with you toward the achievement of that goal, not only in your country but in the great continent of Africa and all over the world.

President Houphouet-Boigny: Thank you, Mr. President.

President Nixon: Mr. President, I hope to have the opportunity at some time to meet

with you personally during my second term in office.

President Houphouet-Boigny: I will be very happy to respond to your invitation.

President Nixon: Thank you very much. Give our best wishes for the Christmas season and the New Year to all of your people.

President Houphouet-Boigny: Thank you. We have the same fervent wishes for you and your family.

President Nixon: Thank you. *Merci beaucoup.*

169th Plenary Session on Viet-Nam Held at Paris

Following are remarks made by Heyward Isham, deputy head of the U.S. delegation, at the 169th plenary session of the meetings on Viet-Nam at Paris on December 7.

OPENING REMARKS

Press release 301 dated December 7

Ladies and gentlemen: I consider this meeting as another intended to bridge the gap between the past and the present brighter prospects for peace. I therefore do not intend to dwell on, or respond to, old contentions which have already been given adequate comment here. I think it is unfair to the public to impart impressions which reflect areas of discontent, while obscuring areas of satisfaction and achievement.

I will not review all the areas in which achievement has been made since the negotiating deadlock was broken in early October, thanks to major efforts made by both sides. Suffice it to say that most of the major problems involved in the settlement have been resolved in a manner that reflects credit on the good will and seriousness of both sides and those that have still not been resolved continue to be dealt with in the same fashion and with the same determination to achieve a positive conclusion at the

earliest possible date. Thus, without minimizing the differences that might still remain, we can even now look forward to the prospect of peace with all that this entails: the end of the hostilities after almost 30 years of continuous conflict, the complete withdrawal of U.S. and allied forces, the repatriation of prisoners of war, the reduction and demobilization of Vietnamese forces in the South, the beginning of the reconstruction and development of all Viet-Nam, and the establishment of conditions where political reconciliation can be taken up by both South Vietnamese parties consistent with the right of the South Vietnamese people to determine their own future. With the new set of international relationships that will come into being, the countries of Indochina can undertake the social and economic development that has so long been subordinated to the demands of war. The United States will make a significant contribution to the achievement of this.

Such are the prospects before us. Even though the negotiating process has not yet reached its final conclusion, it is not too soon for putting aside the old antagonisms and discarding the old rhetoric. Instead let us use the language of restraint joined to the purposes of constructive work imposed on us by our responsibilities. In short, we should not permit disappointments and setbacks in the pace of the final negotiations to prevent us from displaying an unchanged and unchangeable intention to achieve peace.

ADDITIONAL REMARKS

Press release 301A dated December 7

Ladies and gentlemen: We have listened carefully to your remarks today, which, like those you made at previous sessions, we have shown to be misrepresentations of the actual state of affairs and of our intentions with respect to the negotiations.

We believe you understand this very well. Moreover, we believe that public opinion also understands that the final phase of settling a conflict as long, as bitter, and as resistant to solution as this one cannot be simple. It

cannot be driven through brusquely or without taking into account the interests of all the parties and respecting their views.

Therefore I shall not enter into a detailed refutation of your accusations. I shall remind you once again that you have a responsibility to conduct these negotiations in a serious manner and to give evidence by both your words and your actions that you, too, are prepared to respect and execute scrupulously the agreements once they have been reached.

One way to begin to overcome the residue of suspicion left by this bitter conflict is to act responsibly in this forum, to use these meetings seriously and professionally in a manner which will help to implement the agreement once it is reached. A first step in this transition would be to adopt a tone of restraint, relevance, and reasonableness. I hope that you will find it possible to act along these lines. For our part, we intend to continue our efforts to this end.

U.S.-Mexico Joint Trade Committee Meets at Washington

Final Communiqué, December 1

Press release 297 dated December 1

The United States-Mexico Joint Trade Committee held its seventh meeting in Washington November 29, 30 and December 1, 1972.

The Mexican Delegation was headed by His Excellency Ambassador José Juan de Olloqui, and the United States Delegation was headed by Mr. John Renner, Deputy Assistant Secretary of State.

The meeting took place against a backdrop of quickening movement in the preparations for international trade liberalization and international monetary reform. The Delegations each presented a full and frank exposition of the current economic situation in their respective countries, paying special attention to recent developments in foreign trade, especially their bilateral trade. During

the meeting working groups were established to discuss trade issues in agricultural and manufactured products. These included questions relating to tourism and the transfer of technology.

In the course of the meeting both delegations agreed to the establishment of a joint study group to review the statistical methods used to compile data on the trade flows between the two countries. This group will work toward harmonizing the conceptual bases for gathering such trade data. The first meeting of the group will be in Washington during the second half of 1973. In connection with this undertaking, both Governments agreed to develop more comprehensive data relating to the Mexican Border Industrialization Program. Each of the Delegations also agreed to continue the excellent cooperation between their respective Customs Services.

The two delegations agreed that the exchange of views that occurred at this meeting was particularly fruitful. Considering that more frequent exchanges could have a very favorable impact on the commercial relations between the two countries, the two Delegations agreed to establish a follow-up mechanism providing for quarterly meetings for the solution of specific problems of special significance in the trade of both countries. The first of these regular meetings will be held in late February 1973. The eighth annual meeting will be held in Mexico at a time to be fixed by both countries.

Congressional Documents Relating to Foreign Policy

92d Congress, 2d Session

Science, Technology, and the Economy. Hearings before the Subcommittee on Science, Research, and Development of the House Committee on Science and Astronautics. April 11-20, 1972. 205 pp.

AID Activities in Laos. Hearing before the Subcommittee on U.S. Security Agreements and Commitments Abroad of the Senate Committee on Foreign Relations on activities of the U.S. Agency for International Development in Laos. April 13, 1972 (sanitized and printed July 30, 1972). 31 pp.

New Responses to the Challenge of Development

Address by John A. Hannah

Administrator, Agency for International Development¹

Developing countries, or less developed countries [LDC's], or what we used to term the underdeveloped countries—or what we sometimes refer to as the poor countries—are the same countries. There are more than 100 of them. They contain 70 percent of the world's population and occupy two-thirds of the earth's land surface.

These countries have made some significant progress in recent years. During the past decade their economies grew at an average rate of 5.6 percent per year. In the last 10 years they have increased manufacturing output by 92 percent. Food production has increased by 36 percent. Average life expectancy reached 57 years in 1971. In the last decade, the developing countries have progressed faster than the developed countries did at comparable time periods in their history.

Commendable as this growth is, it is only a silver lining within some very large clouds.

The common condition of the developing countries is still mass poverty. The benefits of growth have been offset by population increases and uneven development which has too often excluded those at the lower end of the economic ladder.

Because of population growth, per capita food production is barely higher today than it was 10 years ago.

The developing countries have doubled and tripled the size of their school systems in the

past 10 years. But there are more children out of school today than there were 10 years ago. There are no schools for more than 300 million of their children.

There is mass unemployment as young workers flood into the job markets. The rates for unemployment and underemployment range up to more than 30 percent in many developing countries—higher than the United States experienced in the worst years of the depression. Mass unemployment is perpetuating mass poverty, which in turn perpetuates mass malnutrition, ill health, illiteracy, and the whole catalogue of human misery which comprises underdevelopment.

Some 40 percent of the total population in all developing countries is caught in this cycle of poverty. Their numbers are growing. Up to a billion and a half people in the less developed countries are generally hungry. In some countries more than one-half of all children die before they reach the age of six from malnutrition and related diseases. Half of mankind receives no health care at all.

Many of the problems faced by the developing countries are new problems, problems which the developed countries did not confront in their early development.

—The available labor forces in many countries are growing at far faster rates than ever experienced in the developed countries in their early development.

—In education, it is impractical for the poorer countries to continue to emulate the

¹ Made before the Iowa State University World Affairs Institute on "World Power in Flux" at Ames, Iowa, on Dec. 5 (AID press release).

education systems of America or western Europe. For a country with per capita GNP of \$200 per year or less, it is futile to attempt universal education in Western-type schools with individual classrooms with 30 students per room, teachers with graduate degrees, visual aids, and all the rest. Their economies cannot support that kind of mass school system. There must be developed non-traditional, low-cost systems of education if those countries are to roll back the tide of illiteracy.

—Similarly, in health, Western-style medical systems reach less than 10 percent of the populations of the developing countries. Our high-cost, hospital-based, curative medical system is not the answer to the needs and resources of the poorer developing countries.

The point is that many of the major problems facing the poor countries have either not been duplicated in Western experience or are not solvable with existing Western technology and institutions. They are different problems. They require new types of public and private institutions, new policies for allocating resources, new means of delivering services, and in some cases, new technologies.

As the developing and developed countries grapple with these problems it is reasonable to expect that we will find more experimentation and variety in patterns and goals of development among different countries. We see some of this today; for example, the attempts of India, Chile, and Burma to find their own patterns for solving their problems.

We in the West have generally assumed that the developing countries, as they are modernized, would follow the paths the West has followed. But this is not necessarily so. There is much interest in many places in some of the approaches to development in use in the People's Republic of China.

Twenty-five years of growth and coping with problems of development have made the developing countries increasingly confident and competent. Across the globe, cadres of

bright, young, energetic, well-trained technicians and managers have moved into positions of responsibility. They have confidence in their abilities to plan their countries' future and manage their resources for the benefit of their own people.

There is a new sense of distinctiveness, self-assertiveness, and independence among the developing countries.

Hence the developing nations today present: first, a record of progress; second, a continuation of massive problems, many of which require new solutions; and third, a sense of confidence and independence as they face these problems.

Machinery for Attack on World Poverty

Now what about the other side of the ledger? What about the developed countries?

The appropriate response to the challenge of underdevelopment is a system of technical, institutional, and economic relationships between rich countries and poor countries—between the developed countries and the less developed countries—which enhances the ability of the developing countries to mobilize their own resources for development and add to these resources.

This system has been building since the early 1950's.

The United States began development assistance subsequent to the success of the Marshall plan in western Europe and Japan. Other developed countries were encouraged to join in this effort and over the years have continually increased their contributions. Measuring assistance as a percentage of GNP, the United States now ranks 12th among the 16 major aid-giving countries, behind Portugal, France, the Netherlands, Australia, Japan, Canada, Belgium, West Germany, the United Kingdom, Sweden, and Denmark.

New international institutions—the World Bank, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank—have come into being and are now enduring institutions. The

U.N. agencies are all playing significant roles, including the UNDP, FAO, ILO, UNICEF, UNESCO, UNIDO, WHO, UNFPA [United Nations Development Program; Food and Agriculture Organization; International Labor Organization; United Nations Children's Fund; United Nations Educational, Scientific and Cultural Organization; United Nations Industrial Development Organization; World Health Organization; United Nations Fund for Population Activities], and all the rest.

Much of the machinery for a systematic attack by rich and poor countries on the problem of world poverty is in place.

Will we give this problem the priority attention it deserves and requires? Or will our country foolishly try to turn away from the rest of the world and particularly from the Third World, where more than two-thirds of all the world's people live?

There is only one intelligent answer to these questions. This country has no acceptable alternative other than to continue to play a leadership role in world affairs. President Nixon, the Congress, and the American people must continue on that quest if there is to be a generation of peace.

This means that we must concentrate on applying this country's science, technology, management skills, and research competence to a limited number of the basic human problems which are common to the poor and developing countries. This concentrated effort must be in cooperation with the developing countries and in coordination with the efforts of other developed countries and with the U.N. specialized agencies and the World Bank and the regional development banks.

AID, as the agency of our government charged with the responsibility for handling the U.S. Government role in development assistance, is planning the following course.

We are convinced that development assistance must be "people oriented." Just as only people are important in Iowa, or California, or Michigan, or the District of Columbia, it is people that are of first importance

in the less developed countries of Africa, Asia, and Latin America.

We recognize that the developing countries are responsible for their own development. We and others can assist, but the problems are theirs and must be solved by their people and largely with their own resources.

Focus on Major Human Problems

Our first emphasis will continue to be working with the developing countries to resolve the problem of adequate food and nutrition for all people in the poor countries.

At present population growth rates, world food production will have to double by the end of the century just to maintain the present inadequate level of diets, and if we are to have adequate diets, food production must increase by $2\frac{1}{2}$ times in the next 27 years and one month. Since availabilities of new arable land are limited, the increase will need to be achieved by breakthroughs in agricultural productivity and technology.

Our programs in agriculture will emphasize putting a part of the unparalleled scientific and technological resources of the United States to work on the specific problems of agricultural production and human nutrition in the LDC's. These programs will stress research in the developing countries in collaboration with U.S. and international institutions. They will include traditional technical and capital assistance to help countries train agricultural technicians, develop effective marketing and extension services, and build agro-industries and other institutions needed to support effective agricultural production, marketing, and distribution.

Providing adequate food is the first requirement in meeting the needs of people. A dynamic agriculture is a prime requisite for energizing the whole process of development. In most developing countries agriculture must be looked to not only for food but also for a major assist in providing jobs for the unemployed.

The next priority of our bilateral develop-

ment assistance program will be working to help solve the population problem and helping the developing countries achieve minimum standards of health.

The developing countries account for about 90 percent of the annual world population growth. World population will climb from 3.7 billion today to 6.3 billion by the end of this century. It will reach 10 billion people in the next 50 years unless both the developed and developing countries can lower their birth rates to an average of two children per family within the next 25 years. The average family size in the less developed world is now about six children per family.

The population boom is perhaps the most intractable problem facing the developing countries today. Curbing it is only partly a matter of increasing the availability of contraceptives and family planning information. High population growth is inextricably linked to the problem of health and the problem of poverty generally. Low levels of income and low levels of health do not act as incentives to limit families. This is particularly true where the only security for old age is the hope to have two sons to share the responsibility for caring for the aged parents. It is difficult for families to decide to stop having children if newborn children have only a 50 percent chance of reaching the age of six. This is the common condition in most developing countries. An effective population program must be concerned with the health and welfare of the whole family—the living children and the parents, particularly the mother.

Our population and health assistance will emphasize systematic application of U.S. research and problem-solving skills to the unique health and population problems of the developing countries. I am convinced that to be effective, family planning programs in the poor countries must be linked with maternal and child care efforts.

Another high priority will be education and human resource development. Our education programs will concentrate on working

with developing countries and the international education community to help develop new means of low-cost education and on training for development administration and management. We will continue training opportunities in this country and third countries for middle-level technicians almost across the board in government and all areas of development.

Every year we support approximately 13,000 trainees from the poor countries in training programs in this country and elsewhere. Participant training has helped to identify and finance the training of technicians and administrators who are today the backbone of trained personnel in most of the LDC's. More than 160,000 of these former trainees are now working in their own countries. Many of them occupy important positions in their governments and in all aspects of development. They are Cabinet ministers, members of the legislative bodies, university presidents and deans and faculty members, rural health officers, agricultural technicians, engineers, teachers, government officials, and all the rest.

The overall direction of U.S. assistance will be toward a highly focused program dedicated to doing a better job of applying the scientific and technological resources of this country to a few of the major human problems in the developing countries.

Reconstruction in Indochina

A second major task will be rehabilitation and reconstruction in Viet-Nam, Laos, and Cambodia. After the cease-fire and assured peace, there will be no more important foreign assistance obligation of the United States than keeping our commitment to assist in reconstruction of the countries of Indochina—hopefully, with the participation of many or all of the developed countries. Planning for this program has been underway for some time, although no plans can be finalized until a cease-fire is agreed upon and there has been an opportunity to consult with other possible donors.

Providing Additional Resources for Growth

A major task in the next four years is to open up the international economic system in ways which permit the developing countries to expand their trade, increase private capital flows, and gain increased resources for development.

For the developing countries as a whole, trade is more important than aid. Export earnings account for nearly four-fifths of their total foreign exchange earnings. For most developing countries, a 1 percent increase in trade more than equals a 7 percent increase in foreign assistance.

The United States has committed itself in conjunction with other developed nations to adopt tariff preferences for the developing countries. These preferences will allow developing countries to compete better in the developed world's markets. We have been delayed in carrying out this commitment by our balance of payments difficulties and by the necessary restructuring of the international trade and payments systems. It is of first importance that the United States, in its own interest, proceed with this proposal as soon as we are able.

There are other worthy proposals designed to increase the flows of resources to the developing countries. These include subsidies or insurance to help developing countries borrow on world capital markets, international debt rescheduling for some countries, and providing developing countries with special access to SDR's [special drawing rights], the monetary unit created by the International Monetary Fund.

Each of these proposals is complex. Most require broad international agreement to initiate. The SDR proposal can only be carried out as part of the general restructuring of the international payments system.

Our country should play a leading role in an effort to obtain international agreement to initiate these or other forms of assistance for the LDC's. They have some distinct advantages over traditional foreign aid. These proposals stimulate private rather than public

resource flows. Once established, they operate independently of national or international aid bureaucracies, thus minimizing interventionism and lowering administrative costs. They maximize self-help by the developing countries.

Most important, these new mechanisms provide additional resources for growth in the developing countries.

There is no question that the amount of resources which will be needed from the developed countries in this decade in order for the developing countries to make any real progress in solving their poverty problems is significantly higher than that now flowing through traditional aid channels.

Foreign Assistance and the U.S. Interest

This brings us to the fundamental question: Why should the United States persist with foreign assistance? Here at home we are daily involved with problems of our own development. The recurring questions are how to provide decent housing, better transportation, better social services, clean air, clean water, and all of the other needs of our American society. Resources are scarce; worthwhile programs go unattended because of lack of funds. The advisability of diverting even a small fraction of our resources to development programs overseas will continue to be questioned by many.

It is my deeply held conviction that the future of this country cannot be separated from the future of the world. The United States cannot achieve its aspirations for peace in isolation from the less developed countries. Meeting the challenge of underdevelopment is one of the requisites for building a stable international order and an expanding international economy.

Consider first the economy. The United States is increasingly linked to the developing countries in international trade and investment. U.S. imports of energy fuels and minerals are expected to increase from \$8 billion in 1970 to more than \$31 billion by 1985—a fourfold increase in the next 13

years. The known reserves of many minerals are largely located in the developing countries. Chile, Peru, Zambia, and Zaire supply most of the world's exportable copper. Malaysia, Bolivia, and Thailand account for 70 percent of the tin in international trade. By 1985 we may be importing half or more of our petroleum imports from a dozen countries, most of them until relatively recently very poor and undeveloped.

The LDC's are becoming increasingly important markets for U.S. exports. In 1970, 30 percent of all U.S. exports went to the developing countries. U.S. corporations have invested some \$30 billion in the developing countries. These investments are growing at about 10 percent a year.

The United States has a fundamental interest in insuring that the developing countries are part of an international trading system in which resources are freely shared.

In our own selfish interest the United States must be increasingly concerned with the quality of life for all people in the LDC's, and particularly for that 40 percent who live in poverty and with too little hope for a better future.

Looking further ahead, the key question for all of us is: What will life in these United States be like for our children or grandchildren, 10, 20, or 30 years from now?

That question cannot be answered without first answering a prior question: What will the world be like then?

Let's look again for a moment at the world population problem.

It took thousands of years for the human population of the whole earth to reach the 1 billion mark. There were 1.6 billion people on the earth at the beginning of this century. There are now about 3.7 billion people. At present growth rates, the world population will grow to 6.3 billion people by the year 2000—27 years and one month from now. This is an awesome strain to place on the earth's resources and on man's capacity to live at peace with his fellow man.

We cannot ignore this worldwide problem.

It is unrealistic to think that 30 years from now the people in any developed country—including this one—can live comfortably while across the continents of Asia, Africa, and Latin America, some 5 billion people struggle to eke out an existence.

If the poor nations of the world do not progress toward lives of better quality and at least have hope for better lives for all of their citizens, there is no way the developed world can immunize its citizens from the consequences of this failure.

We have no alternative but to join with the peoples of the other developed nations of the world in a common effort to do our fair share to help the peoples of those countries who want to help themselves harness their own resources, material and human, to move in the direction of improved quality of lives for all of their people.

Diseases ignore national boundaries. Polluted air and polluted waters flow freely across national boundaries. Human problems do not stay bottled up behind national borders. The impact of uncontrolled human reproduction vitally affects the well-being of all nations.

The sense of injustice, frustration, and bitterness which accrues when people in the less developed world are unable to see progress toward a better life cannot be bottled up. It produces violence. Violence, too, flows across national borders.

Your children and grandchildren, and mine, must live in the same world with the children and grandchildren of the peoples of all the rest of the world, all continents, all races, all colors, all religions.

Like it or not, this is one world, and the only one we know. This, ladies and gentlemen, is one of the most important challenges that faces all of us as individual citizens, and that faces our National Government as the new Congress and President Nixon move into the second term of the Nixon administration. It deserves your interest, your concern, and your attention.

Designation of Foreign Officials and Official Guests

Following is the text of an amendment to the Code of Federal Regulations, Title 22—Foreign Relations, Chapter I—Department of State, Part 2—Protection of Foreign Dignitaries and Other Official Personnel, reprinted from the Federal Register of November 22.¹

Part 2 of Title 22 of the Code of Federal Regulations is amended as set forth below:

New §§ 2.2 through 2.5 are added to read as follows:

§ 2.2 Purpose.

Section 1116(b)(2) of title 18 of the United States Code, as added by Public Law 92-539, An Act for the Protection of Foreign Officials and Official Guests of the United States (86 Stat. 1071), defines the term "foreign official" for purposes of that Act as "any person of a foreign nationality who is duly notified to the United States as an officer or employee of a foreign government or international organization, and who is in the United States on official business, and any member of his family whose presence in the United States is in connection with the presence of such officer or employee." Section 1116(c)(4) of the same Act defines the term "official guest" for the purposes of that Act as "a citizen or national of a foreign country present in the United States as an official guest of the Government of the United States pursuant to designation as such by the Secretary of State." It is the purpose of this regulation to specify the officer of the Department of State who shall be responsible for receiving notifications of foreign officials under the Act and determining whether persons are "duly notified" to the United States and who shall be responsible for processing official guest designations by the Secretary of State.

§ 2.3 Notification of foreign officials.

Any notification of a foreign official for purposes of section 1116(b)(2) of title 18 of the United States Code shall be directed by the foreign government or international organization concerned to the Chief of Protocol, Department of State, Washington, D.C. 20520. For persons normally accredited to the United States in diplomatic or consular capacities and also for persons normally accredited to the United Nations and other international organizations and in turn notified to the Department of State, the procedure for placing a person in the

statutory category of being "duly notified to the United States" shall be the current procedure for accreditation, with notification in turn when applicable. The Chief of the Office of Protocol will place on the roster of persons "duly notified to the United States" the names of all persons currently accredited and, when applicable, notified in turn, and will maintain the roster as part of the official files of the Department of State adding to and deleting therefrom as changes in accreditations occur.

For those persons not normally accredited, the Chief of Protocol shall determine upon receipt of notification, by letter from the foreign government or international organization concerned, whether any person who is the subject of such a notification has been duly notified under the Act. Any inquiries by law enforcement officers or other persons as to whether a person has been duly notified shall be directed to the Chief of Protocol. The determination of the Chief of Protocol that a person has been duly notified is final.

§ 2.4 Designation of official guests.

The Chief of Protocol shall also maintain a roster of persons designated by the Secretary of State as official guests. Any inquiries by law enforcement officers or other persons as to whether a person has been so designated shall be directed to the Chief of Protocol. The designation of a person as an official guest is final. Pursuant to section 2658 of title 22 of the United States Code, the authority of the Secretary of State to perform the function of designation of official guests is hereby delegated through the Deputy Secretary of State to the Deputy Under Secretary of State for Management.

§ 2.5 Records.

The Chief of Protocol shall maintain as a part of the official files of the Department of State a cumulative roster of all persons who have been duly notified as foreign officials or designated as official guests under this Part. The roster will reflect the name, position, nationality, and foreign government or international organization concerned or purpose of visit as an official guest and reflect the date the person was accorded recognition as being "duly notified to the United States" or designated as an official guest and the date, if any, of termination of such status.

(18, U.S.C. 1116(b)(2), 1116(c)(4); sec. 4 of the Act of May 26, 1949, as amended (22 U.S.C. 2658))

Effective date. These amendments shall be effective upon publication in the FEDERAL REGISTER (11-22-72).

[SEAL]

WILLIAM P. ROGERS,
Secretary of State.

NOVEMBER 18, 1972.

¹ 37 Fed. Reg. 24817.

Insuring a Healthy and Vigorous United Nations

Following is a statement by U.S. Representative George Bush made in plenary session of the U.N. General Assembly on November 24, together with the text of a resolution adopted by the Assembly on November 27.

STATEMENT BY AMBASSADOR BUSH

USUN press release 142 dated November 24

A fundamental question confronts our organization in the 1970's: Can the United Nations more effectively protect man from his own destructive power and from the overwhelming consequences of his technological successes? We believe the United Nations can and must be perfected to these ends; we believe this organization has the potential to rise to the challenges and opportunities of the 1970's. This is why my delegation supports the initiative of our Romanian colleagues to put forward an item on strengthening the role of the United Nations in international affairs. This is why my delegation looks forward to cooperating with all of our colleagues in seeking ways to insure a healthy and increasingly vigorous United Nations.

Our organization has reached a point at which it is no service to the idea of the United Nations, and no contribution to its future, to blink at its limitations. A skepticism concerning the United Nations is widespread. Our obligation to the future requires that we face that fact squarely and approach the task of strengthening the U.N.'s role with a large dose of realism and candor. We must be frank in assessing the

weaknesses in the current U.N. structure and performance and in asserting the need for improvements.

As we seek ways to perfect our organization, we should bear in mind that it is not the purpose of the United Nations to award "victories" or register "defeats." It is, rather, the business of the United Nations to serve as a forum for moderating disputes, for asserting the larger world interest in the pacific resolution of conflict, for providing leadership and expertise so necessary for economic development throughout the world. I believe it is fair to say that our work continues to be impaired by an excessive resort to the politics of confrontation. Too often our debates are long on rhetoric and short on concrete accomplishment. Too often our resolutions fail to reflect full consultations, sincere compromise, and realistic calls for action. The document currently under consideration does reflect these qualities, I should add. We have noted with satisfaction the way in which its authors consulted in a constructive manner with various elements of the membership to achieve a resolution worthy of broad support.

Mr. President, our organization sorely needs to move away from sweeping declarations and verbose resolutions that merely restate the purposes and principles of the charter. What is needed is more effective United Nations action on the concrete items before us—on United Nations peacekeeping procedures, on means of pacific settlement of international disputes, on human rights, the human environment, the law of the sea, decolonization, development, and many others. Until we demonstrate our willingness to take

such effective action, world opinion will continue to be skeptical, no matter what ringing declarations we may make, that the members of the United Nations are really serious about strengthening international peace and security and improving the life of the common man throughout the world.

Mr. President, a broad aspect of the United Nations requiring improvement is its general relevancy to the urgent problems of our times. We are deeply convinced that one such problem, currently under consideration in the Sixth Committee, is international terrorism. We believe the United Nations must leave no doubt of the disapproval of the international community over the unwarranted and unnecessary loss of innocent lives from acts of international terrorism; we must prove our determination to take preventive action against such tragedies.

Another case in point is the item, now being discussed in the Fifth Committee, which would establish a ceiling of 25 percent as the rate of assessment for the major contributor to the regular budget. There is a long historical record regarding the principle that the United Nations should not be financially dependent upon any one nation. We are therefore urging that this Assembly instruct the expert Committee on Contributions to compute a new triennial scale of assessments which, if adopted by the 28th General Assembly, would become effective for the period 1974 to 1976. We are convinced that adoption of this proposal will importantly strengthen the role of the United Nations as a viable international organization.

We are all aware that the charter does not intend the United Nations to be the only center of diplomacy. We also recognize that the problem of improving our organization depends not so much upon institutional reforms as upon national wills. Yet to the extent that better work methods and more realistic institutional arrangements will help, my delegation is prepared to help bring them about. For example:

—We have already made some suggestions

for strengthening the Security Council; we continue to believe they should be explored.

—We favor greater use of factfinding missions, good offices, quiet preventive diplomacy, and greater use of third-party dispute settlement through the International Court of Justice, arbitration, and conciliation. We think ways and means of strengthening the role of impartial settlement procedures must be studied by governments and by the United Nations.

—One of the most important steps that can be taken to strengthen the United Nations is to encourage member states that have special technological insights and experiences to bring their knowledge to the U.N. in an openminded way with a view to the mutual benefit of the international community. This is what the United States has undertaken in the exciting new field of satellites for remote sensing of the earth's resources and environment. With the launching of the first remote sensing satellite by the United States on July 23 of this year, we are carrying forward President Nixon's determination to make this new technology an example of our plans to share with other countries the adventures and benefits of our outer space experience.

—A contribution of tremendous significance to the U.N. could be made by holding a prompt and successful U.N. Conference on the Law of the Sea. We are seeking to cooperate through the United Nations to find acceptable resolution of the many outstanding problems in the law of the sea. We believe the U.N. would be greatly strengthened by establishing appropriate machinery within the U.N. framework to deal with the many opportunities and problems that will arise in the exploitation of the resources of the deep seabeds beyond coastal state economic jurisdiction.

—We believe that the efforts toward restructuring the Economic and Social Council and its subsidiary organizations that commenced this summer in the 52d session should be vigorously continued and expanded.

—UNDP [United Nations Development Program] has gone a long way toward completing its reorganization, and my government appreciates the vitality of its new leadership. We feel that a massive review of the role of resident representatives is essential to the improved functioning of that organization. We have noted with interest the improved field services of UNDP, and we are pleased at indications of more care being taken in methods of auditing and financing these services in the least developed countries.

—We believe that the recommendations of the special committee on the rationalization of General Assembly procedures, the Committee of 31, should be more fully realized and that further procedural reform is required to improve the working of Assembly sessions.

—My delegation wishes to point out once again that the work now being done by the United Nations in the field of international drug control must be reinforced and extended. We cannot solve this extremely grave and continuous problem without increased international cooperation under such auspices as those of the United Nations.

—The United States will lend its full support to the United Nations Population Conference and to the World Population Year, and we applaud the work that has already been done in this field.

—It seems safe to say that based on the report of the Secretary General, [Manuel] Perez-Guerrero, UNCTAD III [United Nations Conference on Trade and Development] has made considerable strides in addressing the priorities of the developing world. We hope that further progress can be made in the dialogue of the Committee of Twenty and in further commodity agreements to which the developing world attaches great importance.

That the United Nations system can be made to work more effectively was recently demonstrated by the brilliant leadership of the High Commissioner for Refugees, who undertook a dramatic new task in India and

in the Sudan at the request of the Secretary General. The High Commissioner made an outstanding personal contribution to this noble humanitarian endeavor, and we wish to express our deep gratitude to the High Commissioner for his excellent performance.

Mr. President, the U.S. delegation offers these thoughts about strengthening the role of the United Nations in a spirit of sober determination to make this organization more effective. Other delegations will offer or have offered their proposals in the same spirit. The question now is: Can we find the collective wisdom to act to strengthen our organization realistically and decisively? Surely we can if we proceed on the basis of that which unites us: our shared commitment to the United Nations and its charter, our shared obligation to promote peace, justice, and progress for all of our peoples.

TEXT OF RESOLUTION ¹

The General Assembly,

Having considered the item entitled "Strengthening of the role of the United Nations with regard to the maintenance and consolidation of international peace and security, the development of co-operation among all nations and the promotion of the rules of international law in relations between States",

Aware that the United Nations is duty bound to act persistently for the observance in relations between all States of the principles of refraining from the threat or use of force against the territorial integrity or political independence of any State, the settlement of international disputes by peaceful means, non-interference in domestic affairs, the sovereign equality of all States, the equal rights and self-determination of peoples, and co-operation between States,

Convinced of the need to bring about further improvements in the activities of the United Nations and its organs, taking into account the new realities of the world, thus making the United Nations an efficient forum of the international community as a whole, capable of ensuring the participation of all States in the solution of the problems facing mankind,

1. *Recognizes that it is imperative that the Organization should become a more effective instrument*

¹ U.N. doc. A/RES/2925 (XXVII); adopted by the Assembly on Nov. 27.

in safeguarding and strengthening the independence and sovereignty of all States, as well as the inalienable right of every people to decide its own fate without any outside interference, and that it should take firm action, in accordance with the Charter of the United Nations, for the prevention and suppression of acts of aggression or any other acts which may jeopardize international peace and security;

2. *Expresses the conviction* that it is necessary to strengthen the role of the United Nations so that it may bring an increased contribution to the settlement of international issues in the interest of all peoples and of general peace and security;

3. *Urges* all Member States to fulfil their obligations under the Charter and, in accordance with its provisions, to implement the resolutions of United Nations organs;

4. *Strongly appeals* to all Member States to take full advantage of the framework and means provided by the United Nations for the solution of international issues of common interest and to contribute to the identification of ways and means of bringing about the strengthening of the capacity for action

and an increase in the effectiveness of the Organization for the attainment of the ideals of peace, freedom and progress of peoples;

5. *Invites* Member States to communicate to the Secretary-General, not later than 30 June 1973, their views and suggestions on the ways and means of contributing to the strengthening of the role of the United Nations in international life, including proposals for enhancing the effectiveness of the decisions and resolutions adopted by United Nations organs;

6. *Requests* the Secretary-General to prepare a report on the basis of the views and suggestions received under paragraph 5 above, and of the debates on the present agenda item, and to submit that report to the General Assembly at its twenty-eighth session;

7. *Decides* to include in the provisional agenda of its twenty-eighth session the item entitled "Strengthening of the role of the United Nations with regard to the maintenance and consolidation of international peace and security, the development of co-operation among all nations and the promotion of the rules of international law in relations between States".

U.S. Urges Self-Determination for Peoples Everywhere

Following is a statement made in Committee III (Social, Humanitarian and Cultural) of the U.N. General Assembly on November 23 by U.S. Representative Jewel Lafontant.

USUN press release 137 dated November 23

Respect for equal rights and self-determination of peoples is one of the most important purposes of the United Nations as highlighted in the first article of the charter. There is no other area of concern which has received as much continued attention throughout the history of this organization.

We can take much satisfaction from the substantial progress of decolonization, largely through the efforts of the United Nations during the past decade and a half. Fully 97 percent of the people who were under colonial domination in 1940 have achieved self-determination and independence.

We are particularly proud that so many new nations have joined the ranks of the

United Nations, which has grown almost threefold since the charter was adopted. It is a cause for rejoicing each time that the will of peoples is freely manifested in determining their own identity and form of government.

On many occasions, my delegation has reaffirmed the commitment of the United States to the right of individuals and peoples to freely determine their own destinies. We desire this freedom not only for ourselves but for others as well. Hundreds of thousands of my countrymen have sacrificed their lives for the preservation of our precious independence as well as the right of other people to determine their own destiny free of external threat or domination.

The right of self-determination and independence cannot be limited to one particular area of the world, but must be universal. We view self-determination as a continual process whereby peoples may decide, in light of existing conditions, the manner in which

they seek to exercise this right. Independence is only one of the several alternatives from which peoples may choose. In some cases, through mutual consent a decision may be taken by a group to establish relationships with existing states; for example, through voluntary incorporation in another state or a special relationship such as commonwealth status.

Freedom of choice is indispensable to the exercise of the right of self-determination. For this freedom of choice to be meaningful, there must be corresponding freedom of thought, conscience, expression, movement, and association. Self-determination entails legitimate, lively dissent and testing at the ballot box with frequent regularity.

As we rejoice in the great strides toward self-determination and independence of peoples, we are sobered by the realization that many still remain under colonial rule or are otherwise denied the right to freely determine their own future. Many proud peoples and nations who enjoyed freedom and independence prior to the Second World War have been brutally suppressed and denied the basic rights accorded under the charter. Free peoples in some areas are faced daily, under the threat of force, with the loss of their freedom.

The situation in southern Africa is of special concern to members of this body since this is one of the last remaining colonial areas. In the Republic of South Africa, 18 million blacks and other racial minorities have been denied the right to full participation in the political, economic, and social life of the nation.

The United States has reiterated its position on the unfinished task of self-determination on many occasions. We support the right of the peoples of Namibia, Southern Rhodesia, Angola, Mozambique, and Portuguese Guinea to self-determination.

In his report to the Congress of February 9, 1972, on U.S. foreign policy for the 1970's, President Nixon stated the following:¹

For more than a decade, leading Americans in all fields have expressed this nation's profound concern over racial injustice in southern Africa, and decried the serious potential of the issue for bringing large

scale conflict to this region. As I have repeatedly made clear, I share the conviction that the United States cannot be indifferent to racial policies which violate our national ideals and constitute a direct affront to American citizens. As a nation, we cherish and have worked arduously toward the goal of equality of opportunity for all Americans. It is incumbent on us to support and encourage these concepts abroad, and to do what we can to forestall violence across international frontiers.

The United States can take pride in the measures it has taken to discourage a military buildup in the areas of minority rule. We have maintained our arms embargoes in those areas. We have stressed the need for self-determination in colonial areas. We have facilitated contact between the races, and underlined the fact that greater political and economic opportunity for Africans serves the true interests of all races.

In his statement to the 27th General Assembly, Secretary of State William Rogers said that:²

In Africa, this Assembly must continue to champion the efforts of all people of all races for human dignity, self-determination, and social justice. The United States will continue to lend its full support to all practical efforts to these ends.

There has been a tendency to view the right of self-determination as collective in nature, affecting groups of people. But there is also a basic right of the individual who is oppressed or otherwise dissatisfied with his condition in the country where he is living to leave that country and seek his destiny elsewhere.

Freedom of movement, guaranteed under article 13 of the Universal Declaration of Human Rights, traditionally has been highly cherished as a human right comparable in value to freedom of conscience and expression. Enjoyment of this right enables the individual freely to choose the society most congenial to his ideals and to pursue his political beliefs or seek economic rewards in harmony with his particular aspirations. We are convinced that, given a free choice, individuals will choose to live in societies where they are permitted maximum political freedom and economic opportunity.

¹ The complete text of the report appears in the *BULLETIN* of Mar. 13, 1972; the section entitled "Africa" begins on p. 363.

² *BULLETIN* of Oct. 16, 1972, p. 425.

We are heartened that, in law and practice, most countries recognize article 13(2) and do not impose insuperable barriers to travel or emigration of their nationals. It is paradoxical, however, that as the possibilities for movement have greatly increased as a result of modern modes of transportation, artificial barriers to movement continue to exist in some parts of the world and in some cases have been reinforced.

My delegation has referred to freedom of movement since we believe that this must be considered as an integral part of the right of peoples to self-determination.

Let us therefore continue to strive for the realization of self-determination of people and peoples everywhere. By so doing, we will be fulfilling one of the basic purposes of the charter and providing an essential basis for peace and security.

TREATY INFORMATION

United States and Mexico Sign FM Broadcasting Agreement

Press release 280 dated November 9

On November 9, Secretary Rogers and Mexican Ambassador José Juan de Olloqui signed a bilateral agreement concerning frequency modulation broadcasting in the 88 to 108 MHz band and, by an exchange of notes, concluded a related separate arrangement affirming that "FM broadcasting stations within the jurisdiction of each Party will be assigned and operated for the basic purpose of providing an effective service to nationals within its frontiers." The signing of the agreement and the separate arrangement, which took place at the Department of State, is a further result of Mexican President Luis Echeverría's visit with

President Nixon in Washington last June.

The agreement concerns the allocation of FM broadcasting stations, both commercial and noncommercial educational, for a distance of 200 miles on each side of the U.S.-Mexican border. Through the application of common technical standards it will serve to minimize harmful interference to the FM broadcasting operations of the two countries.

A further notice will be issued when the agreement enters into force and effect.

United States and Korea Sign Fishery Agreements

Press release 290 dated November 24

The United States and the Republic of Korea on November 24 concluded two agreements concerning the conduct of fishing in the North Pacific area and the marketing of certain shellfish products. Ambassador Donald L. McKernan, Coordinator of Ocean Affairs and Special Assistant to the Secretary of State for Fisheries and Wildlife, signed for the United States and Ambassador Dong Jo Kim for the Republic of Korea.

The first of the agreements provides for continued cooperation in fisheries between the two countries, including fisheries research and exchange of data, continuation of U.S. technical advice and assistance concerning shellfish and salmon, and measures for dealing with potential conflicts between fishing vessels of the two countries in the Northeastern Pacific and Bering Sea. Korean fishing vessels will be allowed to transfer their cargoes in certain areas of the U.S. contiguous fisheries zone in the eastern Bering Sea but will refrain from fishing for salmon and halibut in the Northeastern Pacific and Bering Sea. The agreement has an initial term of five years.

The second agreement will apply the sanitation principles of the U.S. national shellfish sanitation program of the U.S. Public Health Service to frozen oysters and to fresh

or frozen clams and mussels intended for shipment between the two countries. It further provides for exchanges of information on the state of compliance with these principles and for cooperation in observations of shellfish production areas or handling facilities. This agreement will enable the importation of such shellfish from Korea under the same production and handling standards as are required in the United States. Similar arrangements are in effect between the United States and Canada and the United States and Japan.

Current Actions

MULTILATERAL

Atomic Energy

Amendment of article VI of the statute of the International Atomic Energy Agency of October 26, 1956, as amended (TIAS 3873, 5284).¹

Acceptance deposited: Italy, December 7, 1972.

Agreement amending the agreement of January 5, 1968 (TIAS 6435), for the application of safeguards by the International Atomic Energy Agency to the bilateral agreement between the United States and Korea of February 3, 1956, as amended (TIAS 3490, 4030, 5957), for cooperation concerning civil uses of atomic energy. Signed at Vienna November 30, 1972. Enters into force on the same date as the agreement for cooperation of November 24, 1972.

Signatures: International Atomic Energy Agency, Korea, United States.

Cultural Property

Convention on the means of prohibiting and preventing the illicit import, export and transfer of ownership of cultural property. Adopted at Paris November 14, 1970. Entered into force April 24, 1972.²

Ratification deposited: Yugoslavia, October 3, 1972.

Acceptance deposited: Mexico, October 4, 1972.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna April 18, 1961. Entered into force April 24, 1964; for the United States December 13, 1972.

Ratification deposited: Senegal, October 12, 1972.

Fisheries

Convention on conduct of fishing operations in the

North Atlantic, with annex. Done at London June 1, 1967.¹

Approval deposited: Union of Soviet Socialist Republics (with a reservation), October 20, 1972.

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Done at New York December 21, 1965. Entered into force January 4, 1969.²

Signature: Haiti, October 30, 1972.

Accession deposited: Tanzania, October 27, 1972.

Safety at Sea

Convention on the international regulations for preventing collisions at sea, 1972. Done at London October 20, 1972.¹

Signatures: Denmark, November 17, 1972;³

France, November 9, 1972.³

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (Intelsat), with annexes. Done at Washington August 20, 1971.¹

Ratification deposited: Liechtenstein, December 8, 1972.

Treaties

Vienna convention on the law of treaties, with annex. Done at Vienna May 23, 1969.¹

Ratification deposited: Morocco (with declarations), September 26, 1972.

BILATERAL

Indonesia

Agreement amending the agreement for sales of agricultural commodities of May 26, 1972 (TIAS 7358). Effected by exchange of notes at Djakarta November 13, 1972. Entered into force November 13, 1972.

Agreement amending the agreement for sales of agricultural commodities of May 26, 1972 (TIAS 7358). Effected by exchange of notes at Djakarta November 13, 1972. Entered into force November 13, 1972.

Agreement amending the agreement for sales of agricultural commodities of May 26, 1972 (TIAS 7358). Effected by exchange of notes at Djakarta November 3, 1972. Entered into force November 3, 1972.

Japan

Agreement relating to the acquisition and production of additional F-4EJ aircraft and related equipment and materials and the acquisition of RF-4E aircraft and related equipment and materials. Effected by exchange of notes at Tokyo November 21, 1972. Entered into force November 21, 1972.

¹ Not in force.

² Not in force for the United States.

³ Subject to acceptance, ratification, or approval.

Khmer Republic

Agreement amending the agreement for sales of agricultural commodities of January 13, 1972 (TIAS 7269). Effected by exchange of notes at Phnom Penh November 24, 1972. Entered into force November 24, 1972.

Union of Soviet Socialist Republics

Agreement on the conditions of construction of complexes of buildings of the U.S. Embassy in Moscow and the Soviet Embassy in Washington, with attachment. Signed at Washington December 4, 1972. Entered into force December 4, 1972.

United Kingdom

Understanding relating to the use by Bahamian organizations, both public and private, of certain land at the U.S. Navy Base, Georgetown, Great Exuma Island, Bahamas, with map and schedule. Effected by exchange of notes at Nassau June 19, September 12, and November 2, 1972. Entered into force November 2, 1972.

Viet-Nam

Agreement relating to the loan of the U.S.S. *Camp* to Viet-Nam. Effected by exchange of notes at Saigon January 11 and February 1, 1972. Entered into force February 1, 1972.

Agreement amending the agreement for sales of agricultural commodities of October 2, 1972 (TIAS 7464). Effected by exchange of notes at Saigon November 16, 1972. Entered into force November 16, 1972.

PUBLICATIONS

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Address requests direct to the Superintendent of Documents. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders.

The United Nations: Problems and Opportunities. This pamphlet in the Current Foreign Policy series is based on a speech by Richard Pedersen, Counselor of the Department of State, before the U.N. Association of Stockton, at Stockton, California, on April 21, 1972. Pub. 8672. International Organization and Conference Series 103. 8 pp. 10¢.

U.S. Participation in the UN. Annual report by the President to the Congress for 1971. Pub. 8675. International Organization and Conference Series 104. 238 pp. \$1.00.

A New Panama Canal Treaty. This pamphlet in the Current Foreign Policy series presents the text of an address by Ambassador David H. Ward, Special Representative of the United States for Panama Canal Treaty Negotiations, before the Pan American Council at Chicago, Illinois, on May 12, 1972. Pub. 8676. Inter-American Series 101. 4 pp. 10¢.

Trade in Cotton Textiles. Agreement with El Salvador. TIAS 7284. 9 pp. 10¢.

Extension of Loan of Vessel—U.S.S. *Benham*. Agreement with Peru. TIAS 7296. 3 pp. 10¢.

Agricultural Commodities. Agreement with Thailand. TIAS 7330. 11 pp. 10¢.

Double Taxation—Taxes on Income. Convention with Japan. TIAS 7365. 127 pp. 70¢.

Military Assistance—Deposits Under Foreign Assistance Act of 1971. Agreement with the Dominican Republic. TIAS 7366. 5 pp. 10¢.

Agricultural Commodities. Agreement with Israel amending the agreement of January 13, 1972. TIAS 7395. 3 pp. 10¢.

Agricultural Commodities. Agreement with Portugal. TIAS 7396. 11 pp. 10¢.

Fisheries in the Western Region of the Middle Atlantic Ocean. Agreement with the Polish People's Republic extending the agreement of June 13, 1970, as extended, and the voluntary enforcement scheme of October 5 and December 31, 1971. TIAS 7397. 3 pp. 10¢.

Air Transport Services. Provisional agreement with Spain. TIAS 7398. 5 pp. 10¢.

Trade—Meat Imports. Agreement with Australia. TIAS 7400. 6 pp. 10¢.

Agricultural Commodities. Agreement with Liberia. TIAS 7401. 3 pp. 10¢.

Fisheries—Conservation of Atlantic Salmon. Agreement with Denmark. TIAS 7402. 3 pp. 10¢.

Loan of Vessel—U.S.S. *Hugh Purvis*. Agreement with Turkey. TIAS 7403. 5 pp. 10¢.

Defense—Leased Areas in Goose Bay, Newfoundland. Agreement with Canada extending the agreement of December 5, 1952. TIAS 7405. 3 pp. 10¢.

Agricultural Commodities. Agreement with Guinea amending the agreement of June 17, 1971. TIAS 7406. 3 pp. 10¢.

Loan of Vessels—U.S.S. *Entemedor* and U.S.S. *Threadfin*. Agreement with Turkey. TIAS 7407. 5 pp. 10¢.

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Releases issued prior to December 4 which appear in this issue of the BULLETIN are Nos. 280 of November 9, 290 of November 24, 294 of November 29, and 297 of December 1.

No.	Date	Subject
298	12/4	U.S.-U.S.S.R. agreement on conditions of construction of new embassies (rewrite).
*299	12/4	U.S. delegation to NATO ministerial meeting, Brussels, Dec. 6-8.
*300	12/5	Advisory Panel on International Law to meet Dec. 11.
301	12/7	Isham: 169th plenary session on Viet-Nam at Paris.
301A	12/7	Isham: additional remarks.
*302	12/8	Noel sworn in as Ambassador to Sudan (biographic data).

* Not printed.

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THE
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BULLETIN



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